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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. PETRI).

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
October 13, 1998.

I hereby designate the Honorable THOMAS E. PETRI to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 25 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes each, but in no event shall debate continue beyond 9:50 a.m.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 10 a.m.

Accordingly (at 9 o'clock and 1 minute a.m.), the House stood in recess until 10 a.m.

□ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SHIMKUS) at 10 a.m.

PRAYER

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

From the beginning, O God, You have created and redeemed our lives and You have sustained and fed our souls. You have lifted people up when they were down and You have healed them when they were ill. Your message and Your action to us is to build and to make strong, to give vision and insight, to lift up and set us on our way. On this day, gracious God, we pray for those same favors in our lives and in the life of our Nation that we will be ready for the challenges of today and the opportunities of tomorrow. Bless us, O God, now and evermore. Amen.

NOTICE

If the 105th Congress adjourns sine die on or before October 14, 1998, a final issue of the Congressional Record for the 105th Congress will be published on October 28, 1998, in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT–60 or S–123 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through October 27. The final issue will be dated October 28, 1998, and will be delivered on Thursday, October 29.

If the 105th Congress does not adjourn until a later date in 1998, the final issue will be printed at a date to be announced.

None of the material printed in the final issue of the Congressional Record may contain subject matter, or relate to any event that occurred after the sine die date.

Senators' statements should also be submitted electronically, either on a disk to accompany the signed statement, or by e-mail to the Official Reporters of Debates at ''Records@Reporters''.

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By order of the Joint Committee on Printing.

JOHN W. WARNER, *Chairman.*

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Printed on recycled paper.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio (Mr. TRAFICANT) come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

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

AMERICAN PUBLIC KNOWS THE DIFFERENCE BETWEEN ''DEMOCRATIC SPIN'' AND THE TRUTH

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

Mr. GIBBONS. Mr. Speaker, the President yesterday sternly warned Republicans against ''squandering the surplus.'' Well, I presume that reference was to the first Federal budget surplus since Neil Armstrong walked on the moon.

I must say that the President and the liberal Democrats ought to know a lot about ''squandering the surplus,'' since they have been squandering taxpayers' money year after year after year.

It is ironic that these very same people who believe that it is okay to lie to the American people would call anyone who advocates spending less that $1.7 trillion surplus an ''extremist,'' and they would feel qualified to lecture the U.S. about squandering money.

It is ironic that these very same people who have proposed billions and billions of dollars in new programs would have the audacity to lecture Republicans about squandering money.

It is ironic that these very same people who accuse Republicans of being mean-spirited for cutting their wasteful, counterproductive, bureaucratic programs now believe they should attempt to impart their wisdom about the evils of squandering money.

Mr. Speaker, I yield back any balance of my time, feeling certain that the American public know the difference between Democratic spin and the truth.

BAILOUT FOR RICH FAT CATS ON WALL STREET

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

Mr. TRAFICANT. Mr. Speaker, check this out. A bunch of rich, fat cats on Wall Street, through their hedge fund, gambled $100 billion on the Russian ruble with borrowed American money.

We can figure it out, they lost big time and the Fed had to bail them out saying if they did not, there could possibly be a depression in America.

Unbelievable, is it not? Think about it. Bailout for Russia, bailout for Japan, bailout for Mexico, bailout for rich fat cats gambling with our money, and now we are talking about an $18 billion bailout for Brazil and Russia, who are dumping steel illegally in America destroying our economy.

Beam me up.

What is next? Foreign aid for China? I do not think Congress will wise up until Uncle Sam needs a bailout. I yield back whatever money is left.

LITTLE RED RIDING HOOD

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

Mr. PITTS. Mr. Speaker, it is story time once again. Once upon a time, a girl named Little Red Riding Hood was traveling alone to a big white house in the woods. In her travels, she encountered a predator: A sly and vicious wolf.

And as this story tells us, the Wolf, smacking his lips, exclaimed, and I read, ''What a plump little lass.''

The Wolf, an expert on preying on women of all shapes and sizes, called out to her, ''Would you like to have some pizza as I shut some things down?''

Well, Little Red Riding Hood, not knowing what she was getting into, and really liking pizza, agreed and proceeded to the big white house. It was there that the wolf did his dirty work.

Sadly, it was only for fear of the hunters that the Big Bad Wolf and his friends let Little Red Riding Hood go. They even tried to send her traveling to another den of wolves in the big city.

Today, we still have wolves in high places who use deception to cover their evil intentions. These predators who prey on young women without care for the consequences must be stopped.

DEMOCRATS WILL STAY UNTIL EDUCATION NEEDS ARE ADDRESSED

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

Mr. PALLONE. Mr. Speaker, my understanding is that even though it is the 11th hour in these budget negotiations, the Republican leadership has still not agreed to the Democrat school modernization program.

Let me say how important that program is. In almost every school district around this country there is a need for modernization of schools, whether that means rewiring for computers or it means having to build a school addition or just repairing a roof. And we know that many of the school districts around the country simply do not have the money or they cannot get bond, they cannot bond at a good interest rate to be able to do those kind of modernization programs.

Why are the Republicans insisting that this not be included in the final budget agreement? We have been here now for almost 2 years and they still insist that this education initiative is not necessary.

Let me tell my colleagues, it is necessary. Democrats will stay here as long as it takes to make sure that this is included in the budget before we go home, because we know that it is needed. Education is the future of this country, and kids are not going to be able to learn how to read or function properly if the school buildings are not up to snuff.

FOCUS ON EDUCATION

(Ms. STABENOW asked and was given permission to address the House for 1 minute.)

Ms. STABENOW. Mr. Speaker, I rise today to urge my colleagues in these final days to focus our attention on education. We have asked that we spend one day focused on the future of our country, on education for our children, and that has yet to happen.

Mr. Speaker, I know in Michigan, in my State, we have been working in volunteer efforts to wire schools with business-labor community groups to bring technology so that our children are prepared for the future. But this is a partnership that every level of government, as well as the private sector, must be involved in if our children are going to be prepared.

In too many schools in my district there is more computer power in the average gas station than the average classroom, and that is just not good enough.

We have an opportunity in this budget at this time to make a commitment in partnership with our local communities, with the private sector, with our States, to make sure that our children have the resources and have the kinds of equipment that they need so they can be prepared for the jobs of the future.

THEY WERE WRONG

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

Mr. HEFLEY. Mr. Speaker, the same people who are whining about a ''do-nothing Congress'' are the very same people who accuse the Republicans of being ''extremist'' for proposing to reform welfare.

They were wrong.

They are also the very same people who attacked Republicans for reforming Medicare and saving it from bankruptcy for another decade.

They were wrong.

They are also the very same people who said we could not balance the budget and cut taxes at the same time.

They were wrong.

They are the very same people who had 40 years, 40 years to do something about Social Security and did not manage to put away a single dime to save it.

They were really wrong.

They are the very same people who failed to reform the IRS, an agency that routinely trampled on the rights of American citizens. The Republican Congress showed them they were wrong again.

Just look at the record of our liberal accusers and consider their credibility.

SHAME ON THE REPUBLICANS

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

Mr. DEFAZIO. Mr. Speaker, the Republican majority says there are two reasons we cannot approve the President's program for local education, for teachers, for smaller class size and school improvements.

One, they say there is no time. Well, the President made the proposal in January. Since then, this Congress has worked 110 days here in Washington, D.C. Not bad for a $137,000-a-year salary. But the average American, at a $30,000-a-year salary, has worked 201 days, while these clowns have only worked 110. And they say there is no time to do the people's business.

Then they say there is no money. There is no money for kids, for education, for schools. Yet on the front page of the Washington Post, they document more than $50 million stuffed in the DOD bill with no consideration, including a quarter of a million dollars for pharmacokinetics research. That is the study of the use of stay-alert chewing gum, which is manufactured in the hometown of one member of that committee. One quarter of one million dollars will be spent, but there is no money for teachers, no money for kids, no money for school.

Shame on the Republicans.

1600 PENNSYLVANIA AVENUE SHOULD BE RESIDENCE OF TRUTH, JUSTICE, HONOR, DIGNITY

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

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, the New York Post reported last week, quote, ''115 American men and women are in jail—forever marked as felons—for having committed perjury in Federal courts, and before grand juries.''

Now, if any one of these felons had been resting in their air-conditioned jail cells last week watching C-SPAN on their color television sets, they would certainly be confused, but also gratified.

''Confused'' to see so many Members debating whether perjury is something that we still take seriously; ''excited'' to know so many Democrats have taken the side of the perjurers in saying that it is not.

Well, Mr. Speaker, if the prosecutors and judges who have already put 115 perjurers behind bars want to find another one, all they have to do is ask any Member of Congress for the street address of the wrongdoer's hideout. Better yet, crime fighters need only ask any student in America who might have read in their civics textbook that 1600 Pennsylvania Avenue is supposed to be the residence of democracy and the American Way: Justice, honor, dignity, truth, and all the rest.

VOTE FOR EDUCATION

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

Mr. WYNN. Mr. Speaker, the battle lines have been drawn in the war for education. On the Democratic side we have a simple proposition. We need more teachers to create smaller classrooms. We need school modernization so that we can have computers in the classroom, Internet access, and have the most modern teaching facilities that money can buy.

We can do this within the context of a balanced budget. That is what the Democrats want to do: More teachers, modern classrooms.

Now, the Republicans have another notion. They want to give students vouchers to take money out of public schools and send it to private schools, even though nine out of ten Americans go to public schools.

Second, they say, well, there is too much administrative waste, so we have to block grant all of this. The fact is, only 2 percent of all the Federal education funds are for administration. The rest go into programs. But when they block grant the money and say we are going to block grant and put it all together, what happens is we cut education funds. I did some research, and my State would lose $10 million. The battle lines are drawn. Vote for education.

PART-TIME PRESIDENT, FULL-TIME FUND-RAISER

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

Mr. BALLENGER. Mr. Speaker, it seems that our President has his priorities a little bit confused. What are we to make of the fact that we have a part-time President, but a full-time fund-raiser?

The Fund-raiser in Chief just completed his 100th fund-raiser this year, this one in New York City. One hundred fund-raisers, but only two Cabinet meetings. Just in case anyone heard that wrong, I will say it again. One hundred fund-raisers, but only two Cabinet meetings.

Ironically, the business conducted at the Cabinet meetings were both related, one to say ''I did not'' and the other one to say ''I did.'' That is what I call a commitment to, as he says, ''Doing the job the American people sent me here to do.''

Of course, in between those two Cabinet meetings we had India and Pakistan test nuclear devices; we had a total failure to develop a National Missile Defense system, even though the U.S. Navy already has technology on Aegis cruisers; and, we heard that Saddam Hussein thumbed his nose at the U.N. and U.S. weapons inspectors time and time again.

Mr. Speaker, we do not need a part-time President or a full-time fund-raiser. We need some attention to the Nation's business.

□ 1030

EDUCATION

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

Mr. HINCHEY. Mr. Speaker, as we are about to close this 105th Congress, there is one critically important job that remains yet to be done. Even though there are literally only hours left in this Congress, we have enough time to do it. That is to upgrade and improve the quality of our educational system.

Unfortunately, the Members who run this House are trying to escape from town without fulfilling that obligation. The President has presented us with a plan to reduce class sizes, to upgrade and modernize our facilities, and also to educate new teachers, all of which is critically important to the economy of America in the 21st century.

We have the responsibility and the opportunity to act before we leave town. We know that kids learn better in class sizes that are smaller. If have 35 kids in the class, not much learning goes on. If you have 18 children in that class, a lot of learning goes on. And that learning is going to be important to those children, to their families, to their communities and the country as we move into the 21st century. Let us be straight with the American people. Let us move forward with this education agenda. Let us get this job done before we leave this Congress.

PRIDE IN THIS CONGRESS

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

Mr. GUTKNECHT. Mr. Speaker, I am proud of what this Congress has done to provide tax relief for hard working American families. The $500 per child tax cut will help people provide for their kids. Education savings accounts and the $1500 Hope credit will help them pay for college. Roth IRAs and capital gains tax relief will help people

save and invest for their future. Tax free home sales, three-year income averaging for farmers and death tax relief will also reduce the burdens on American families. We all know that they can spend the money a whole lot smarter than the Federal Government can.

Mr. Speaker, yesterday the Congress gave the American people more good news on taxes, voting to extend the R&D tax credit through 1999, accelerate the full deductibility of health care costs and extending the work opportunities tax credit. We still have much more to do but this is a great start. What a difference a Republican Congress has made.

LACK OF LEADERSHIP

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

Mr. ALLEN. Mr. Speaker, this Congress lacks standing to criticize the President. This is a do-nothing Congress. Look what this Congress has accomplished under the Republican leadership. They have killed a national child care initiative. They have killed a Patients' Bill of Rights. They have killed the tobacco settlement, and they have killed campaign finance reform.

We Democrats are here today fighting for education, trying to salvage something out of a pathetic year. We want smaller class sizes for our kids. We want better school buildings in this country. We want higher education standards for this country. We have got to salvage something because every child in this country deserves a chance to be a productive citizen in this global economy.

The Republican leadership in this Congress cannot run a railroad. It is because they do not want the train to leave the station. And we Democrats are going to stay here fighting for education as long as it takes.

DIFFERENCE BETWEEN FACT AND OPINION

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

Mr. CALVERT. Mr. Speaker, there is a difference between fact and opinion. I think any objective observer would look at the facts and agree with this conclusion: We have a part-time President and a full-time fund-raiser.

Just consider the facts: Yesterday the President's New York City fund-raiser was his 100th of the year, yesterday, the 100th fund-raiser of the year. Meanwhile he has had only two cabinet meetings. For those of us who have not had higher math, who were raised on whole math, rain forest math or other liberal nonsense, that works out to approximately one cabinet meeting for every 50 fund-raisers. Of course, we are not sure exactly how much important business was discussed at those two cabinet meetings aside from denials, retractions and half apologies.

This Congress has put aside $1.4 trillion for Social Security, passed a balanced budget, IRS reform and tax cuts, making it perhaps the most successful Congress in a generation. Meanwhile the part-time President allows Saddam Hussein to thumb his nose at us, North Korea to threaten its neighbors and a national missile defense system to remain on the shelf.

REPUBLICAN CONGRESS IS COASTING

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

Mr. VENTO. Mr. Speaker, after doing half a job, this Congress for the past year has been coasting. Here we are, almost 15 days beyond, two weeks beyond the fiscal year and the budget matters are not being addressed. For these 10 months, bills and proposals that the President put on the table and the Democrats have been pushing on education and investing in people have been languishing. There has been no response.

The Republicans in Congress have said no!

The only Republicans Congress response is to pass some window dressing bills in terms of authorization, then to turn around and not even put the money into the appropriation bills that would fund those important education programs. I think it is time to offer real money for school to put the dollars behind the rhetoric in school construction, to offer more than just duck tape and lip service to deal with the worn out facilities that our children are supposed to be taught with in and learning. I think it is time to put teachers in the classroom and provide smaller class size, the type of quality assistance that our children need today more than ever.

This generation deserves the same investment that past generations had and that others in this country had. Our children are our future. Education is the ticket to success and opportunity in our democracy. Let us vote for these education programs and initiatives.

CRIME AND PUNISHMENT

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

Mr. BARR of Georgia. Mr. Speaker, Matthew Shepard a 21-year-old student in Wyoming is dead, brutally murdered by those who for one reason or another did not like him. The perpetrators need to be punished swiftly, thoroughly and appropriately, namely, the death penalty.

Wyoming is trying to do its job. Let us here in the Congress let Wyoming do its job. Wyoming provides for the death penalty in cases such as this. Yet there are those who are clamoring for Federal legislation to ''increase penalties for such crimes.'' One really wonders what would be an increased penalty over the death penalty. I would be interested to see. It may very well violate the constitutional ban against cruel and unusual punishment.

Let us not rush to judgment and pass vastly expansive Federal legislation such as that which came before the Subcommittee on Crime earlier this year which included terms which would provide the basis for Federal jurisdiction which were nowhere defined in Federal law. Passing legislation as a knee jerk reaction to an awful incident is not the best way to govern. We need to resist the urge, let Wyoming and the other States do their jobs.

VIAGRA

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute.)

Ms. MCKINNEY. Mr. Speaker, pardon me, but today I rise because I am outraged by a New York Times report that the Department of Defense has requested between $50 and $100 million for Viagra, the new sex drug designed for impotent men. Instead of offsetting this request from its $26 billion budget, Secretary Cohen has requested an increase in the 1999 military readiness bill. When the military brass were on Capitol Hill saying that our reasonable belt tightening had resulted in an impotent military, I guess I did not fully understand the scope of the problem.

With $50 million worth of Viagra, the entire military industrial complex will be locked, cocked and ready to rock. Pretty scary.

Mr. Speaker, they just do not get it, with Monica-gate, the Aberdeen Proving Ground sex scandal and widespread sexual assaults throughout the military, our Commander-in-Chief and his Secretary of Defense concocted this idea that our military needs this extra expenditure. Let us have no more talk of this expanding malfunctioning missile salvation operation.

MATTHEW SHEPARD

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

Mr. KOLBE. Mr. Speaker, the senseless and tragic death of Matthew Shepard in Laramie, Wyoming, following by only a few months on the heels of an equally tragic murder in Jasper, Texas, reminds us of how imperfect are our efforts to eradicate violence, hatred and bigotry in our society. By all accounts, Matthew Shepard was a gentle young man, liked by all who knew him, an unlikely person to incite such mindless and brutal violence in others.

How then does this occur? How do individuals get it fixed in their heads

that it is open season on others simply because they are of a different color or different sexual orientation? I do not believe we should engage in an exercise of self-flagellation, but I do believe it is incumbent upon each of us to examine the words we use, the statements we condone, the rhetoric of bigotry we sometimes hear and simply let pass without condemnation because we are preoccupied with other things. We must not tolerate a message of hatred in our midst. We must not give bigotry the fertile soil it needs to flourish.

A loving God has gathered Matthew Shepard to his bosom. He will never face such hate again. That same God may grant his mercy and forgiveness to those who killed him but a harsher justice awaits them in this life.

SCHOOL VIOLENCE

(Ms. CHRISTIAN-GREEN asked and was given permission to address the House for 1 minute.)

Ms. CHRISTIAN-GREEN. Mr. Speaker, later this week the President will convene a conference to address the issue of school violence.

Mr. Speaker, we can reduce school violence if we have smaller classes where teachers can spend time with each student and identify those who need special intervention. We can prevent school violence if our schools are positive centers of learning and our children are given the tools they need to excel. And we can prevent school violence if our school buildings are just safe, clean and in good repair.

Mr. Speaker, we can get our arms around this problem and more importantly around our children if we pass bills that will increase the number of teachers, reduce class size and build or renovate our schools. We must save our children. We must pass the President's education budget.

TAX REDUCTION

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

Mr. WHITFIELD. Mr. Speaker, a few weeks ago this House passed a modest tax reduction for hard working middle class Americans. President Clinton and the Democratic leadership vigorously opposed the tax reduction. They said they opposed it because they incorrectly, I might say, claimed it would take money from Social Security. However, in the last minute back room negotiations on the omnibus appropriation bill, the President and Democratic leadership are not expressing any concern for Social Security. Instead they want to spend billions more of taxpayer dollars for foreign aid, for their favorite environmental programs and for the education bureaucracy in Washington while we want to send it to local school boards.

The President does not want to give the American taxpayers a small tax reduction. Instead he wants to keep the tax dollars in the government and let them spend money on programs he wants. Once again the President and Democrat leadership say one thing in public but they demand something entirely different in private negotiations.

RECORD OF THE 105TH CONGRESS

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

Mr. DOGGETT. Mr. Speaker, in communities all over America, we are trying to support public education, involve parents, improve the quality of education, support professional educators. This Congress has not done its share. Indeed, when this Congress goes home, if we let it go without supporting public education and the Members of Congress wave bye-bye out at the airport, they will be recognizing about the only accomplishment of this Congress, which is the renaming of the airport here in Washington.

The reason nothing has been done is that the priorities greatly differ between Democrats and Republicans. Republicans want to abolish the Department of Education. Republicans want to take money away from public schools and give those monies, those public monies to elite academies.

We believe the time is now to stand for this Congress doing something positively to support local communities who want to improve the quality of public education. That is what this budget battle is all about. Let us stand firmly for public schools and stand firmly against a do-nothing Congress that has nothing at this point to point to as an accomplishment.

MORE ON THE PRESIDENT AND VICE PRESIDENT'S TRAVEL PLANS

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

Mr. SOUDER. Mr. Speaker, as a member of the Committee on Education and the Workforce, we have been working on education all year. Indeed in this budget it appears the amounts have been set and we are just negotiating the fine details of where it is going to be put.

The question is why we are here right now, since we knew we were going to come to these straits earlier on this year and we knew what our differences were earlier on. Saturday the President said in his radio address, I do not want to see this Congress walk away from America's school children. Then he went out to play golf for a couple hours. Then he walked away all of yesterday and into last night for two fundraisers in New York.

Today the Vice President flew out down to Palm Beach, Florida for a fund-raiser down there. Then he goes to Miami for a fund-raiser. Then he goes to Coral Gables for a fund-raiser. In between he talks at a school in Miami about the need for us to deal with school kids.

Mr. Speaker, the President and the Vice President should have been dealing with the education issue and working out the differences between an elected House and an elected Senate and an elected President and Vice President a long time ago, not trotting off and doing fund-raisers and press conferences.

THE REASON WE ARE HERE TODAY

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

Mr. MILLER of California. Mr. Speaker, the reason we are here today is because of the differences between the Republicans and the Democrats about our children's education. We believe, as the American people do, that our local districts need help in rebuilding crumbling schools, that our schools ought to be made safe, that children should no longer go to school in made-over closets and made-over teacher lounges, in made-over storage areas. They ought to have a safe and decent place to go to school.

□ 1030

We believe that we ought to make every effort to try to help districts lower the teacher/pupil ratio so that teachers can spend more time with individual students. That is the important work that ought to be done here. It should have been done earlier, but the Republicans were so excited about impeachment that they forgot America's children. That work has to be done.

The problem is there are even differences within the Republican Party about this education program. We believe that this money ought to make sure that we can, in fact, reduce class size. We can, in fact, build new schools and repair schools and make a difference for America's children as opposed to trying to provide a program that allows governors to walk off with the money

BEST WISHES FOR FORMER CONGRESSMAN DANTE FASCELL

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, all of us in this chamber and back home in South Florida send our best wishes to our former House colleague, Congressman Dante Fascell.

For almost 40 years, Dante Fascell led the charge in the House of Representatives for respect for human rights internationally and fostering democracy and freedom throughout the world.

As chairman of the Foreign Relations Committee, Congressman Fascell worked tirelessly in a bipartisan manner to promote our American ideals of

justice and liberty to the oppressed people everywhere, especially to the suffering people of native Cuba.

Dante was key in assuring and maintaining aid to Israel, our only democratic ally in the Middle East. He led the charge in condemning the Soviet Union's mistreatment of Jews. He also left his mark on domestic policy as well.

Congressman Fascell created the Everglades National Park; and without his vision, we would not have the River of Grass as a national treasure. Dante helped build my hometown of Miami to the thriving metropolis it is now. He worked to get South Florida the necessary Federal funds that helped our community grow.

All of us in South Florida cherish his friendship and want him to continue enjoying his children and his family for years to come.

EDUCATION IS THE SEED CORN OF SOCIETY

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

Mr. MCDERMOTT. Mr. Speaker, sometimes the American public may wonder why we are focusing on education in the Democratic Party. In the Plains Indians in the central part of this country, there is a well-known bit of wisdom that says that they can tell a tribe that is going to die when they eat the seed corn, when you eat the corn that has to be saved for the spring and plant for the new crop.

Education is the seed corn of this society. Our determination to make this session end by an investment in education, both in the classrooms in terms of reducing class size and in rebuilding the buildings, is the seed corn of this society.

If we fail to do that, we will come out here, as we do every year, and pass a bill for H–1B visas so that we can go worldwide and gather the brains that we need to run this economy. That is wrong. That is not investing in the seed corn. We need to stay and do education.

FEDERALIZING SCHOOL CONSTRUCTION IS BAD IDEA

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

Mr. PETERSON of Pennsylvania. Mr. Speaker, is the President's school construction program a good idea or is it a gift to his urban fund-raising friends?

There are 15,600 school districts in America. Half the money is designated for 100 urban poor. There are urban poor, but there are rural poor, too. There are 1,000 rural poor school districts with no funding.

The other half of the money is available to additional urban poor districts. You can bet his urban fund-raising friends will receive the majority of those funds, too, and 15,400 rural school districts across America will receive nothing.

Federalizing school construction will delay by several years the ability to construct the schools, will increase the cost, and only help the President's fund-raising friends.

SUPPORT EDUCATION

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

Mr. BALDACCI. Mr. Speaker, in reference to the gentleman that just spoke in regards to the classrooms, I know, in our State, we did an analysis, and almost $200 million is going to be needed to increase the safety because of lead in the drinking water in school, because of the asbestos around the pipes, to increase the safety in environment for our children.

Because as we try to decrease the class size so that they can learn more, they can be more disciplined there, they have to have the environment so that they are not gaining any other outside hazards.

In the relationship to the young man who died from the hate crime in Wyoming, I think it points back to the fact that, by increasing discipline, by reducing class size, we are going to increase the likelihood where children will be raised differently, and they will not have these problems stemming from lack of supervision.

So by reducing the class size, we are reducing the violence. By reducing the class size, we are increasing the education children get and raising their aspirations so that, in my state, the fourth and eighth graders who are doing tops in the country can have the aspirations to go on to college and to reach the American dream.

That is why we support education, and that is why education is in support of programs.

ELECTION YEAR SPINNING

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

Mr. SMITH of Michigan. Mr. Speaker, I would just like to caution everybody watching this program, all of the voters in this country to brace yourself for the next couple 3 weeks before the election.

Look, I think the proudest moment of this Congress was probably last year when Republicans and Democrats and the President worked together to lower taxes for the first time since Ronald Reagan came in, to balance the budget for the first time in 31 years.

But what happens as we get close to an election is the Democrats try to prove that they think education is more important than Republicans. Not true. They try to spin it to make sure or to hopefully make sure that they get more votes in the election.

Mr. Speaker, I just ask the American people to brace up, watch the spinning, be careful of what both sides of the aisle says, be careful of what the President says and does in these last few weeks before the election. Listen to these next speakers.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). Members will be reminded that comments should not be made to the viewing audience. Comments should be made to the Speaker.

FOCUS ON EDUCATION

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

Mr. SNYDER. Mr. Speaker, I visit a lot of school districts in my district, rural, suburban and urban, and they all tell me the same thing. They need help with school construction. They need help with building new buildings. They need help with reducing class size.

The most recent one I visited made a decision some years ago to push the class size to the max in order to pay their bills. They do not like what they have done. They recognize, I am talking about both the teachers and the administrators, that there is a price the students pay. They need help. They want help.

They understand that, in order to reduce class size, they have to build new buildings. In order to reduce class size, they have to hire new teachers. They understand they will control the hiring. They will control the building. But they want help from their government, their Federal Government in doing this.

That is what this issue is about. That is why this week I hope we will focus on education, not to make partisan points, but to hopefully come out of here at the end of this week with a bill that helps the school districts in Arkansas accomplish what they want to with their school children.

EDUCATION IS MOST IMPORTANT ISSUE

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

Mr. BARRETT of Wisconsin. Mr. Speaker, as the father of three young children, I am delighted, I am delighted that we are finally talking about an issue that is of concern to parents of young children all throughout this entire country.

Education is the most important issue for the future of this country. We have ignored it. We have ignored it for the last year. Now, finally, we get an opportunity to talk about it.

I think we should be putting more money into classrooms in this country, not into bureaucracies in Washington, not into bureaucracies in State capitals, not into bureaucracies at the local level.

The administration's proposal puts money into classrooms to reduce class size. I have got two kids in kindergarten. I want them to have smaller classes. I want children throughout this country to have smaller classes because that is how they are going to get a better education. That is what is going to allow us to compete better in the future with countries throughout the world.

We are headed in the right direction when we are talking about education and when we are putting resources into education because there is no better investment than investing in our children.

STAY AND WORK FOR EDUCATION

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, let me say that I believe one of the most important issues that we have to be concerned about is the education of our children.

As I am pointing out to my colleagues and the Speaker, let me emphasize the accomplishments of this Congress, a Republican Congress. I think the most important point is the least number of days worked in decades.

If we had children in school and they sent home a report card or the teacher called us and said that Johnny or Mary had not been in school for 5 days or 1 month or they had not been in school since they got out of kindergarten, and it was now the third grade, we would be concerned.

I am glad to be here because the district I represent has schools that are crumbling. It has wires that are hanging down. I need the money, as do rural areas need the money, from organizations. I need the hundred thousand teachers. I need trained teachers for the children of America. Let us stay here and work and work for education.

FROM DEFICIT TO SURPLUS WITH THE REPUBLICAN CONGRESS

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

Mr. HORN. Mr. Speaker, it is funny how the other side has such stunning lapses of memory. Whenever a number of Ivy League law school graduates appear before the Committee on Government Reform and Oversight or other congressional committees or courts of law, I find suddenly their brilliance evaporates, and they have a hard time remembering where they were yesterday.

The other side has completely forgotten that the government went from running $200 billion a year deficits to a $70 billion a year budget surplus.

Is there anyone who seriously thinks that welfare reform would have passed had it not been for the Republican majority elected to Congress and taking the oath in 1995? Is there anyone who seriously thinks the President would have been forced to accept the Republican balanced budget proposal of 1996 had it not been for that majority? Maybe they have just forgotten.

Here is another example. This is the stock market in 1993, and this is when it took off in 1995. That is a reflection of the American economy, a chart that does not lie. We will never see it from the other side, I gather, but I think it is pretty obvious why.

INVEST IN OUR EDUCATION SYSTEM

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

Mr. ROEMER. Mr. Speaker, it has been said that, as education goes, so goes America. As education goes, so goes America. We are here in the last days of this Congress to try to build on bipartisan support for increasing local control, but also having Federal, State, local partnerships to address the dire need to invest in our education system.

One area that is so important, as a parent of three children, is to make sure that we reduce the class size. Would we rather have our teachers teaching 25 children or 18 children? That is a huge difference. That is local control, but it is a critically important partnership with our Federal local government.

We also need after-school programs to reduce crime and drugs. We are doing that in places like Elkhart, Indiana. But we need more support. Let us invest and work in supporting our education system in this country

FUND-RAISING GETTING IN THE WAY OF PASSING BUDGET

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

Mr. KINGSTON. Mr. Speaker, first of all, let me congratulate the President on his 100th fund-raiser. That is a quite a milestone for a guy who has only had time for two cabinet meetings this year.

This year, most of the money is American money, a novel concept. I understand that Chinese money has kind of been discouraged. Big step for the DCCC and the Democrat party. I congratulate him on that.

But it would be nice to think, why not try to get the cabinet meetings up to 5 this year. One hundred fund-raisers; five cabinet meetings. I do not know. He might want to talk about Bosnia, health care education, jobs, taxes, who knows.

This week, Congress worked. We worked Friday, Saturday, Sunday, Monday, and of course Tuesday, and we will be working until we get the budget passed. Why? Because we have a great provision in there to put more dollars into the classroom for the school kids of America.

Why? Because there is a farm disaster, $700 million in the State of Georgia alone. The President has vetoed the bill. No cabinet meeting on that, too. But, then again, who needs the cabinet member from the USDA.

Then of course we have Social Security, a Republican plan to petition and wall off $1.4 trillion dollars so it cannot be used for general funds. All these are important, all these are working over the weekends. I hope the President will consider skipping one fund-raiser to help us out.

FUND EDUCATION

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

Mr. WATT of North Carolina. Mr. Speaker, my colleague who just spoke must be working in a different Congress than I am working in. There were three votes on Saturday, no votes on Sunday, two or three votes yesterday, and he says we are working.

We ought to be here trying to do something about education, and, instead, the Republicans are trying to get out of town and go home.

The education issue has been on the table all this year, ever since the President made his State of the Union address. They want to go home. They have not dealt with it.

This is an issue that every single American understands. Every single American understands it. If we reduce the ratio of students to teachers, reduce that ratio, each single student gets more attention. Each single student gets more reading time. Each single student gets to relate to the teacher in a way that they can learn, and that is what this is all about. Let us fund education, and then we can go home.

□ 1045

AMERICAN HOMEOWNERSHIP ACT

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

Mr. CAMPBELL. Mr. Speaker, today we will have the opportunity to vote for an increased opportunity for home ownership for all Americans. I am very thrilled about this bill. The credit for this really goes to our colleague from New York (Mr. LAZIO) but I was pleased to be part of it.

I just wanted to draw my colleagues' attention to the fact that we have in

this Congress made a huge difference so that Americans can own their own homes. Some of the most important parts of this bill deal with the fact that, heretofore, the government has occasionally created obstacles to affordable housing by adding to its cost by regulations. By the time you have complied with all kinds of regulations, the housing is no longer affordable.

This bill that we will be voting on later today, H.R. 3899, establishes a benefit for those States and localities that eliminate the barriers, the costly requirements before one can build affordable housing. This bill creates a clearinghouse within HUD for those States and local units of government to learn how to make barriers less. It establishes a rule that no Federal agency can pass a regulation that puts a barrier effectively into building affordable housing without considering all possible alternatives that will make that barrier less. For those people who have had a dream to own a home in America, this bill is a substantial improvement. I commend it to all of our colleagues.

CONGRESS MUST ACT TO STRENGTHEN PUBLIC SCHOOLS

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

Mr. ETHERIDGE. Mr. Speaker, I rise to call on this Congress to pass legislation to strengthen our neighborhood public schools. We have heard people talk on the floor this morning about volume. Our children are told in the classroom it is the quality of their work, not the volume of the documents they produce. That ought to be true for this Congress as well. To go home without passing legislation to strengthen public education and to provide more teachers at the K–3 level, we have not put the quality in the legislation that we ought to pass. I know that because we have done it in my State. A lot of places we have not done it. A lot of places do not have the money. To say it is not needed is like saying we do not have a responsibility for our roads and a lot of other things we do.

We need to pass legislation to provide decent, safe, quality classrooms for our children. We can be accountable to the taxpayers, we can be accountable to our communities, but we can only be accountable if we do the job we were sent here to do. Our neighborhood public schools need our help now.

A MESSAGE TO THE PRESIDENT

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

Mr. EWING. Mr. Speaker, Republicans in Congress have a message to the President: ''Don't shut down the government.'' Republicans have been working with the administration since last spring to avoid a government shutdown. I think we all agree it is not in the national interest to shut down the government. But how tragic it would be if the President were to force such a shutdown to divert attention from other matters or to use it for political purposes as we head into the mid-term elections. Republicans are willing to reach an honorable compromise with the White House on remaining differences just as we did last summer in order to pass the balanced budget amendment. Although there are still significant differences between the White House and the Republicans in Congress on the remaining spending bills, these differences can be resolved. In almost every case, the administration wants to spend more, the Republicans want to spend less. Let us find the common ground, avoid a government shutdown, and move on with the people's business.

EDUCATION EMERGENCY ACROSS AMERICA

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

Mr. OWENS. Mr. Speaker, Public School 91 in my district was evacuated last Friday as a result of conditions that were deemed unsafe for children. You have got lead poisoning, a coal-burning furnace, everything you can imagine in that building which was built in 1903. It should have been closed a long time ago. But Public School 91 is not atypical of the school districts across America. In fact nearly every congressional district in America has an equivalent to Public School 91, a school that really needs to be closed or modernized or reconstructed.

We have an education emergency all across the United States. Why not bring our money back to our school districts? All money comes from the local areas, anyhow. Bring our Federal money back for school construction. One of my colleagues on the Education Committee keeps insisting that the school construction bill is tilted toward the urban areas. Well, yes, that is where most of the children in America live. The Vietnam Memorial Monument, if you look at the names on there, most of them come from the urban areas, too. All the wars that have existed, while we have not emphasized it, they come from where the population is. Schools modernization is needed all across America. Urban areas are just the beginning.

STILL WAITING FOR CONGRESS TO ACT

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

Mr. BROWN of Ohio. Mr. Speaker, 9 months ago the President and House Democrats laid out an education agenda for the 21st century. The American people are still waiting for Congress to act.

Democrats want to help local governments modernize schools and help build and renovate 5,000 schools. The American people are still waiting for Congress to act.

The Democrats in Congress, the Democratic initiative wants to see smaller classrooms and more teachers. Yet the American people are still waiting for Congress to act.

Mr. Speaker, what is more important than education? What is more important than smaller classrooms? What is more important than more teachers teaching our children? Unfortunately, Mr. Speaker, the American people are still waiting for Congress to act.

AMERICAN STEEL IN A CRISIS

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

Mr. KUCINICH. Mr. Speaker, American steel is in a crisis. Yesterday the House of Representatives defeated a resolution to study the crisis. American steelworkers and their families do not need studies. They need action to stop the dumping of steel in this country. The dumping of steel is causing prices to drop, it is threatening the jobs of American steelworkers, it is threatening local economies, it is threatening our strategic industrial base, and, therefore, long-term threatens this country's ability to defend itself.

Americans need action to stop the dumping of steel. They need quantitative restrictions on allowing steel into the U.S. market. They need the application of countervailing duties. We do not need more studies. We need action. Stop the dumping of steel in this country. Save the steelworkers' jobs. Protect the American economy.

EDUCATION FUNDING

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

Mrs. MINK of Hawaii. Mr. Speaker, I serve as a cochair on the Democratic side of the aisle together with the gentleman from Indiana (Mr. ROEMER) and the gentleman from North Carolina (Mr. ETHERIDGE) on the Task Force on Education. We have served for over a year and a half. That agenda was created because we were responding to the needs of the people throughout the country. One of the top things they talked about was the need for additional teachers, additional qualified teachers and to do something about our crumbling classrooms and the inadequate infrastructure. This is something that has been on our agenda for over a year and a half. This year we did not even see the education budget come to the floor so that we could debate it, so that we could ask this country to fund this program. Now we are

awaiting an omnibus bill, we know not what is in it, but I plead with the Republican majority to do as they have been saying on the floor every day, put those moneys for the teachers right in the classrooms and not fund it in any sort of circuitous way where we know not how that money is getting to our schools.

EDUCATION

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

Mr. RODRIGUEZ. Mr. Speaker, as we face the 21st century, our education is our best national defense. Education must function as a means to prepare our children for the 21st century and the global economy. To help meet this goal, we must aim to strengthen our public schools that serve the majority of our children. Reducing class size should be our first priority. Putting those teachers in the classroom should be our first priority. This will allow teachers to focus on basics such as reading and writing in the early ages. We also need to look to modernize our classrooms. Across this country, we need to assure that our classrooms are well-equipped to meet the technology of the 21st century. We have to assure that our youngsters will have a fresh start to be able to compete in the global economy. Our schools are crumbling across this country. We need to invest in our children and in the future of this country as our national defense depends on it. Our level of education will determine our national defense. Let us also focus on providing our children the assistance that they need.

ACHIEVEMENTS OF CONGRESS

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

Mr. THUNE. Mr. Speaker, for 40 years the liberal Congress spent all their time trying to figure out ways to spend the American people's money and build a bigger Federal Government. Now they are accusing us of being a do-nothing Congress. They are right. By their definition, we have done nothing to raise taxes, we have done nothing to build new Federal bureaucracies, we have done nothing to take power from hardworking Americans and give it to Washington bureaucrats.

However, we have balanced the budget for the first time in 30 years, we have cut taxes on hardworking Americans for the first time in 16 years, saved Medicare, reformed welfare, and reformed the IRS. At the same time we have lowered interest rates on student loans. The liberals are right. We have done nothing liberal. But we have done a lot for the future of the American people.

ON EDUCATION FUNDING CUTS

(Ms. VELÁZQUEZ asked and was given permission to address the House for 1 minute.)

Ms. VELÁZQUEZ. Mr. Speaker, I rise today deeply disturbed by the Republican majority's continual disregard for the future of our children. Year after year they attack important education programs and now they refuse to provide funds for school construction and smaller classroom size.

Have you not learned? The American people believe in educational opportunities. They want their children to learn and succeed. But for many of our children, a schoolroom is not a place to learn but a place to survive. Like our roads and bridges, our Nation's schoolrooms are crumbling. In my district in New York, children are trying to learn in conditions that we should be ashamed of, crumbling walls, leaking roofs, and overcrowding. How can a child be expected to learn to read and write when the walls are literally falling down around them? Democrats are committed to making sure that every child in this country has a modern, safe school in which to learn. This is a commitment we have made to our children and it is a commitment worth fighting for.

NO GOVERNMENT SHUTDOWN

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

Mr. METCALF. Mr. Speaker, Republicans have a message for the President: ''Don't shut down the government, Mr. President. Don't shut down the government as a way to divert attention from the ethical problems now plaguing the White House.''

The differences between Congress and the White House are not large. The President wants to spend more money on education bureaucrats in Washington. Republicans want to spend the money on the classrooms. Surely a compromise can be reached and the government can continue to operate. We disagree about the approach but we do not disagree about the shared goal of improved education. As a former teacher, I know that local control of schools is absolutely essential. We do understand the political reality that the President faces which forces him to support more Federal education programs, more bureaucrats at the Department of Education and more Federal control over local schools. Our message is simple: ''Don't shut down the government. Work with Congress to arrive at a satisfactory compromise. Don't shut down the government, Mr. President.''

□ 1100

REPUBLICANS SENDING A MIXED MESSAGE TO AMERICA'S CHILDREN

(Ms. PELOSI asked and was given permission to address the House for 1 minute.)

Ms. PELOSI. Mr. Speaker, I rise to commend President Clinton for his strong commitment to the education of America's children. This issue has been central to his public service, and it is central to the lives of America's children.

It is important for our children to receive a clear message from us, and I am afraid that our Republican colleagues are sending a mixed message to America's children. Children are smart. When we tell them that education is important for their own self fulfillment, for the competitiveness of our country, indeed for our national defense, they get one message. They get another message when we say it is important, but we are going to send you to a school that is crumbling, leaking, not equipped with the wiring for modernization, and we are not going to support, the Republicans are not going to support, school construction so that they can be in smaller classes.

Smaller classes net more teachers. That is why President Clinton's proposal for 100,000 new teachers is so important. It is not for administrative cost, and it is not about local control. It is about saying to local governments this money is for teachers, it is not for administration.

Stop insulting the intelligence of America's children. Support President Clinton's school construction plan and 100,000 new teachers.

THE BEST SOLUTION IS TO BUILD SCHOOLS

(Mr. MEEKS of New York asked and was given permission to address the House for 1 minute.)

Mr. MEEKS of New York. Mr. Speaker, just 9 months ago I was not a Member of this body, but I remember listening to the President's statement on education during his State of the Union address, and I stand here today as a Member of the Congress probably for one reason: education. We can build prisons, or we can build schools. I think that all Americans know that the best solution is to build schools. When we build schools, we are showing our children that we have confidence in them. Oftentimes when they go astray, we say what happened to the children of the day? What is going on with the children today?

Mr. Speaker, I tell colleagues it is not the children, it is us. It is us who fail to put our money where our mouths are and put it where our most important commodities are, our children. We must, at all sacrifices, make sure that we build schools; therefore, we will not have to build prisons. Make sure that we make the class sizes smaller so that we can understand, these kids can understand, what is going on, and the teachers can relate to them.

This is what this is all about. We must not leave here until we have put money in schools as opposed to other things. We must build our schools.

REPUBLICANS GET AN ''F'' FOR EDUCATION

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

Ms. DELAURO. Mr. Speaker, we all get the opportunities as Members of Congress to get a little booklet called: How Our Laws Are Made. My suggestion is to my Republican colleagues that they save their copies and reread this document because it says the fact that a proposal cannot become law without consideration and approval by both Houses of Congress is an outstanding virtue of our legislative system.

The fact of the matter is that last January the President laid out an education proposal. He said: Let us reduce class sizes, let us increase the number of teachers, let us modernize our schools for our children, let us give them every single opportunity that they need in order that they might succeed in a very, very competitive world.

My suggestion to my colleagues on the other side of the aisle is to stop holding up this budget process over the funding of America's public schools.

The very fact of the matter is they get an F for education.

Let us focus our time and our attention in the remaining days that we have here to reduce class size, modernize our schools, increase the numbers of teachers in our classrooms for the benefit of our children.

REPUBLICANS WANT TO SHRINK THE SIZE OF GOVERNMENT, DEMOCRATS WANT TO EXPAND IT

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

Mr. MILLER of Florida. Mr. Speaker, the Republicans want to move in one direction, the Democrats in another. This year, like every year on almost every single spending bill, the division is quite clear. Republicans want to cut back on the size of government, the Democrats want to expand it. We have different visions, different ideas about what government should do, what it can do and how much of government spending is an outrageous waste of the taxpayers' money.

But our differences are no excuse for a government shutdown, and I am very distressed to hear persistent rumors that many in the White House are urging the President to provoke a confrontation and a shutdown of the government. They want to shut down the government and then try and blame it want on the Republicans.

This is an interesting idea, interesting way indeed to combat public cynicism towards the government. I urge the President to reject the advice of his more liberal advisers and continue to work with Republicans towards an honorable compromise on the remaining spending bill.

Do not shut down the government, Mr. President.

WE SHOULD BE PREPARING OUR SCHOOLS FOR THE NEXT CENTURY

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

Mr. MENENDEZ. Mr. Speaker, we do not want to shut the government down, we want to keep America's schools open, and we want to make sure that America's schools can prosper well into the next century.

Now this Congress has had all of this year with a balanced budget and a Federal surplus to get a budget together. It has not. So then it declares martial law on the House so that it can bring up anything at any time that it wants. Well, if that is their will, then let us bring up something that is meaningful for this country, and that is our children, 100,000 school teachers with federal assistance to help reduce class size so teachers can teach at the greatest ability of those children's levels. In terms of instead of having class sizes of 30 or more, let us reduce it to a size that can make a real meaningful difference for children, of modernizing schools, schools that are from the turn of the century and now we are ready to turn a new century. We should be able to modernize them as well.

That is what Democrats are fighting about, that is why we have not yet come to an agreement. It is not about shutting the government down, it is about keeping our schools open and prepared for the next century. That is what we should be about; that is what we should be getting on to this floor.

OUR CHILDREN MUST GET THE BEST EDUCATION IN THE WORLD

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

Ms. LOFGREN. Mr. Speaker, in 1953, as sort of the cutting edge of the baby boomers, I started kindergarten, and as the children of the World War II heroes entered school, what happened? All over the country they built enough schools and they made sure there were enough textbooks so that my generation could have a great education and have a future.

Turn the clock forward to 1998, and we have the biggest group of kindergartners that we have had since the baby boomers, and let us contrast what the grown ups are doing this time. We have children going to school in trailers, we have children going to school in utility closets. I would hope, and we spent so much time in this Congress on scandal and investigation and the like that, please, let us make sure that before we go home we do something that will really matter for the future of this country, that we put our children first, and we put our money where our mouth is, that we understand that the most important thing for the future of our country is that our children get the best education in the world.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules.

NATIONAL PARKS OMNIBUS MANAGEMENT ACT OF 1998

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1693) to provide for improved management and increased accountability for certain National Park Service programs, and for other purposes, as amended.

The Clerk read as follows:

S. 1693

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''National Parks Omnibus Management Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definition.
TITLE I—NATIONAL PARK SERVICE CAREER DEVELOPMENT, TRAINING, AND MANAGEMENT
Sec. 101. Protection, interpretation, and research in the National Park System.
Sec. 102. National Park Service employee training.
Sec. 103. Management development and training.
Sec. 104. Park budgets and accountability.
TITLE II—NATIONAL PARK SYSTEM RESOURCE INVENTORY AND MANAGEMENT
Sec. 201. Purposes.
Sec. 202. Research mandate.
Sec. 203. Cooperative agreements.
Sec. 204. Inventory and monitoring program.
Sec. 205. Availability for scientific study.
Sec. 206. Integration of study results into management decisions.
Sec. 207. Confidentiality of information.
TITLE III—STUDY REGARDING ADDITION OF NEW NATIONAL PARK SYSTEM AREAS
Sec. 301. Short title.
Sec. 302. Purpose.
Sec. 303. Study of addition of new National Park System areas.
TITLE IV—NATIONAL PARK SERVICE CONCESSIONS MANAGEMENT
Sec. 401. Short title.
Sec. 402. Congressional findings and statement of policy.
Sec. 403. Award of concessions contracts.
Sec. 404. Term of concessions contracts.

Sec. 405. Protection of concessioner investment.
Sec. 406. Reasonableness of rates.
Sec. 407. Franchise fees.
Sec. 408. Transfer of concessions contracts.
Sec. 409. National Park Service Concessions Management Advisory Board.
Sec. 410. Contracting for services.
Sec. 411. Multiple contracts within a park.
Sec. 412. Special rule for transportation contracting services.
Sec. 413. Use of nonmonetary consideration in concessions contracts.
Sec. 414. Recordkeeping requirements.
Sec. 415. Repeal of National Park Service Concessions Policy Act.
Sec. 416. Promotion of the sale of Indian, Alaska Native, Native Samoan, and Native Hawaiian handicrafts.
Sec. 417. Regulations.
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Sec. 419. Savings provision.

TITLE V—FEES FOR USE OF NATIONAL PARK SYSTEM

Sec. 501. Fees.
Sec. 502. Distribution of golden eagle passport sales.

TITLE VI—NATIONAL PARK PASSPORT PROGRAM

Sec. 601. Purposes.
Sec. 602. National Park passport program.
Sec. 603. Administration.
Sec. 604. Foreign sales of Golden Eagle Passports.
Sec. 605. Effect on other laws and programs.

TITLE VII—NATIONAL PARK FOUNDATION SUPPORT

Sec. 701. Promotion of local fundraising support.

TITLE VIII—MISCELLANEOUS PROVISIONS

Sec. 801. United States Park Police.
Sec. 802. Leases and cooperative management agreements.

SEC. 2. DEFINITION.

As used in this Act, the term ''Secretary'' means the Secretary of the Interior, except as otherwise specifically provided.

TITLE I—NATIONAL PARK SERVICE CAREER DEVELOPMENT, TRAINING, AND MANAGEMENT

SEC. 101. PROTECTION, INTERPRETATION, AND RESEARCH IN THE NATIONAL PARK SYSTEM.

Recognizing the ever increasing societal pressures being placed upon America's unique natural and cultural resources contained in the National Park System, the Secretary shall continually improve the ability of the National Park Service to provide state-of-the-art management, protection, and interpretation of and research on the resources of the National Park System.

SEC. 102. NATIONAL PARK SERVICE EMPLOYEE TRAINING.

The Secretary shall develop a comprehensive training program for employees in all professional careers in the work force of the National Park Service for the purpose of assuring that the work force has available the best, up-to-date knowledge, skills and abilities with which to manage, interpret and protect the resources of the National Park System.

SEC. 103. MANAGEMENT DEVELOPMENT AND TRAINING.

Within 2 years after the enactment of this Act, the Secretary shall develop a clear plan for management training and development, whereby career, professional National Park Service employees from any appropriate academic field may obtain sufficient training, experience, and advancement opportunity to enable those qualified to move into park management positions, including explicitly the position of superintendent of a unit of the National Park System.

SEC. 104. PARK BUDGETS AND ACCOUNTABILITY.

(a) STRATEGIC AND PERFORMANCE PLANS FOR EACH UNIT.—Each unit of the National Park System shall prepare and make available to the public a 5-year strategic plan and an annual performance plan. Such plans shall reflect the National Park Service policies, goals, and outcomes represented in the Service-wide Strategic Plan, prepared pursuant to the provisions of the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285).

(b) ANNUAL BUDGET FOR EACH UNIT.—As a part of the annual performance plan for a unit of the National Park System prepared pursuant to subsection (a), following receipt of the appropriation for the unit from the Operations of the National Park System account (but no later than January 1 of each year), the superintendent of the unit shall develop and make available to the public the budget for the current fiscal year for that unit. The budget shall include, at a minimum, funding allocations for resource preservation (including resource management), visitor services (including maintenance, interpretation, law enforcement, and search and rescue) and administration. The budget shall also include allocations into each of the above categories of all funds retained from fees collected for that year, including (but not limited to) special use permits, concession franchise fees, and recreation use and entrance fees.

TITLE II—NATIONAL PARK SYSTEM RESOURCE INVENTORY AND MANAGEMENT

SEC. 201. PURPOSES.

The purposes of this title are—

(1) to more effectively achieve the mission of the National Park Service;

(2) to enhance management and protection of national park resources by providing clear authority and direction for the conduct of scientific study in the National Park System and to use the information gathered for management purposes;

(3) to ensure appropriate documentation of resource conditions in the National Park System;

(4) to encourage others to use the National Park System for study to the benefit of park management as well as broader scientific value, where such study is consistent with the Act of August 25, 1916 (commonly known as the National Park Service Organic Act; 16 U.S.C. 1 et seq.); and

(5) to encourage the publication and dissemination of information derived from studies in the National Park System.

SEC. 202. RESEARCH MANDATE.

The Secretary is authorized and directed to assure that management of units of the National Park System is enhanced by the availability and utilization of a broad program of the highest quality science and information.

SEC. 203. COOPERATIVE AGREEMENTS.

(a) COOPERATIVE STUDY UNITS.—The Secretary is authorized and directed to enter into cooperative agreements with colleges and universities, including but not limited to land grant schools, in partnership with other Federal and State agencies, to establish cooperative study units to conduct multi-disciplinary research and develop integrated information products on the resources of the National Park System, or the larger region of which parks are a part.

(b) REPORT.—Within one year of the date of enactment of this title, the Secretary shall report to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the House of Representatives on progress in the establishment of a comprehensive network of such college and university based cooperative study units as will provide full geographic and topical coverage for research on the resources contained in units of the National Park System and their larger regions.

SEC. 204. INVENTORY AND MONITORING PROGRAM.

The Secretary shall undertake a program of inventory and monitoring of National Park System resources to establish baseline information and to provide information on the long-term trends in the condition of National Park System resources. The monitoring program shall be developed in cooperation with other Federal monitoring and information collection efforts to ensure a cost-effective approach.

SEC. 205. AVAILABILITY FOR SCIENTIFIC STUDY.

(a) IN GENERAL.—The Secretary may solicit, receive, and consider requests from Federal or non-Federal public or private agencies, organizations, individuals, or other entities for the use of any unit of the National Park System for purposes of scientific study.

(b) CRITERIA.—A request for use of a unit of the National Park System under subsection (a) may only be approved if the Secretary determines that the proposed study—

(1) is consistent with applicable laws and National Park Service management policies; and

(2) will be conducted in a manner as to pose no threat to park resources or public enjoyment derived from those resources.

(c) FEE WAIVER.—The Secretary may waive any park admission or recreational use fee in order to facilitate the conduct of scientific study under this section.

(d) NEGOTIATIONS.—The Secretary may enter into negotiations with the research community and private industry for equitable, efficient benefits-sharing arrangements.

SEC. 206. INTEGRATION OF STUDY RESULTS INTO MANAGEMENT DECISIONS.

The Secretary shall take such measures as are necessary to assure the full and proper utilization of the results of scientific study for park management decisions. In each case in which an action undertaken by the National Park Service may cause a significant adverse effect on a park resource, the administrative record shall reflect the manner in which unit resource studies have been considered. The trend in the condition of resources of the National Park System shall be a significant factor in the annual performance evaluation of each superintendent of a unit of the National Park System.

SEC. 207. CONFIDENTIALITY OF INFORMATION.

Information concerning the nature and specific location of a National Park System resource which is endangered, threatened, rare, or commercially valuable, of mineral or paleontological objects within units of the National Park System, or of objects of cultural patrimony within units of the National Park System, may be withheld from the public in response to a request under section 552 of title 5, United States Code, unless the Secretary determines that—

(1) disclosure of the information would further the purposes of the unit of the National Park System in which the resource or object is located and would not create an unreasonable risk of harm, theft, or destruction of the resource or object, including individual organic or inorganic specimens; and

(2) disclosure is consistent with other applicable laws protecting the resource or object.

TITLE III—STUDY REGARDING ADDITION OF NEW NATIONAL PARK SYSTEM AREAS

SEC. 301. SHORT TITLE.

This title may be cited as the ''National Park System New Areas Studies Act''.

SEC. 302. PURPOSE.

It is the purpose of this title to reform the process by which areas are considered for addition to the National Park System.

SEC. 303. STUDY OF ADDITION OF NEW NATIONAL PARK SYSTEM AREAS.

Section 8 of Public Law 91–383 (commonly known as the National Park System General Authorities Act; 16 U.S.C. 1a–5) is amended as follows:

(1) By inserting ''GENERAL AUTHORITY.—'' after ''(a)''.

(2) By striking the second through the sixth sentences of subsection (a).

(3) By redesignating the last two sentences of subsection (a) as subsection (f) and inserting in the first of such sentences before the words ''For the purposes of carrying'' the following: ''(f) AUTHORIZATION OF APPROPRIATIONS.—''.

(4) By inserting the following after subsection (a):

''(b) STUDIES OF AREAS FOR POTENTIAL ADDITION.—(1) At the beginning of each calendar year, along with the annual budget submission, the Secretary shall submit to the Committee on Resources of the House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate a list of areas recommended for study for potential inclusion in the National Park System.

''(2) In developing the list to be submitted under this subsection, the Secretary shall consider—

''(A) those areas that have the greatest potential to meet the established criteria of national significance, suitability, and feasibility;

''(B) themes, sites, and resources not already adequately represented in the National Park System; and

''(C) public petition and Congressional resolutions.

''(3) No study of the potential of an area for inclusion in the National Park System may be initiated after the date of enactment of this subsection, except as provided by specific authorization of an Act of Congress.

''(4) Nothing in this Act shall limit the authority of the National Park Service to conduct preliminary resource assessments, gather data on potential study areas, provide technical and planning assistance, prepare or process nominations for administrative designations, update previous studies, or complete reconnaissance surveys of individual areas requiring a total expenditure of less than $25,000.

''(5) Nothing in this section shall be construed to apply to or to affect or alter the study of any river segment for potential addition to the national wild and scenic rivers system or to apply to or to affect or alter the study of any trail for potential addition to the national trails system.

''(c) REPORT.—(1) The Secretary shall complete the study for each area for potential inclusion in the National Park System within 3 complete fiscal years following the date on which funds are first made available for such purposes. Each study under this section shall be prepared with appropriate opportunity for public involvement, including at least one public meeting in the vicinity of the area under study, and after reasonable efforts to notify potentially affected landowners and State and local governments.

''(2) In conducting the study, the Secretary shall consider whether the area under study—

''(A) possesses nationally significant natural or cultural resources and represents one of the most important examples of a particular resource type in the country; and

''(B) is a suitable and feasible addition to the system.

''(3) Each study—

''(A) shall consider the following factors with regard to the area being studied—

''(i) the rarity and integrity of the resources;

''(ii) the threats to those resources;

''(iii) similar resources are already protected in the National Park System or in other public or private ownership;

''(iv) the public use potential;

''(v) the interpretive and educational potential;

''(vi) costs associated with acquisition, development and operation;

''(vii) the socioeconomic impacts of any designation;

''(viii) the level of local and general public support, and

''(ix) whether the area is of appropriate configuration to ensure long-term resource protection and visitor use;

''(B) shall consider whether direct National Park Service management or alternative protection by other public agencies or the private sector is appropriate for the area;

''(C) shall identify what alternative or combination of alternatives would in the professional judgment of the Director of the National Park Service be most effective and efficient in protecting significant resources and providing for public enjoyment; and

''(D) may include any other information which the Secretary deems to be relevant.

''(4) Each study shall be completed in compliance with the National Environmental Policy Act of 1969.

''(5) The letter transmitting each completed study to Congress shall contain a recommendation regarding the Secretary's preferred management option for the area.

''(d) NEW AREA STUDY OFFICE.—The Secretary shall designate a single office to be assigned to prepare all new area studies and to implement other functions of this section.

''(e) LIST OF AREAS.—At the beginning of each calendar year, along with the annual budget submission, the Secretary shall submit to the Committee on Resources of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate a list of areas which have been previously studied which contain primarily historical resources, and a list of areas which have been previously studied which contain primarily natural resources, in numerical order of priority for addition to the National Park System. In developing the lists, the Secretary should consider threats to resource values, cost escalation factors, and other factors listed in subsection (c) of this section. The Secretary should only include on the lists areas for which the supporting data is current and accurate.''.

(5) By adding at the end of subsection (f) (as designated by paragraph (3) of this section) the following: ''For carrying out subsections (b) through (d) there are authorized to be appropriated $2,000,000 for each fiscal year.''.

TITLE IV—NATIONAL PARK SERVICE CONCESSIONS MANAGEMENT

SEC. 401. SHORT TITLE.

This title may be cited as the ''National Park Service Concessions Management Improvement Act of 1998''.

SEC. 402. CONGRESSIONAL FINDINGS AND STATEMENT OF POLICY.

(a) FINDINGS.—In furtherance of the Act of August 25, 1916 (commonly known as the National Park Service Organic Act; 16 U.S.C. 1 et seq.), which directs the Secretary to administer units of the National Park System in accordance with the fundamental purpose of conserving their scenery, wildlife, and natural and historic objects, and providing for their enjoyment in a manner that will leave them unimpaired for the enjoyment of future generations, the Congress hereby finds that the preservation and conservation of park resources and values requires that such public accommodations, facilities, and services as have to be provided within such units should be provided only under carefully controlled safeguards against unregulated and indiscriminate use, so that—

(1) visitation will not unduly impair these resources and values; and

(2) development of public accommodations, facilities, and services within such units can best be limited to locations that are consistent to the highest practicable degree with the preservation and conservation of the resources and values of such units.

(b) POLICY.—It is the policy of the Congress that the development of public accommodations, facilities, and services in units of the National Park System shall be limited to those accommodations, facilities, and services that—

(1) are necessary and appropriate for public use and enjoyment of the unit of the National Park System in which they are located; and

(2) are consistent to the highest practicable degree with the preservation and conservation of the resources and values of the unit.

SEC. 403. AWARD OF CONCESSIONS CONTRACTS.

In furtherance of the findings and policy stated in section 402, and except as provided by this title or otherwise authorized by law, the Secretary shall utilize concessions contracts to authorize a person, corporation, or other entity to provide accommodations, facilities, and services to visitors to units of the National Park System. Such concessions contracts shall be awarded as follows:

(1) COMPETITIVE SELECTION PROCESS.—Except as otherwise provided in this section, all proposed concessions contracts shall be awarded by the Secretary to the person, corporation, or other entity submitting the best proposal, as determined by the Secretary through a competitive selection process. Such competitive process shall include simplified procedures for small, individually-owned, concessions contracts.

(2) SOLICITATION OF PROPOSALS.—Except as otherwise provided in this section, prior to awarding a new concessions contract (including renewals or extensions of existing concessions contracts) the Secretary shall publicly solicit proposals for the concessions contract and, in connection with such solicitation, the Secretary shall prepare a prospectus and shall publish notice of its availability at least once in local or national newspapers or trade publications, and/or the Commerce Business Daily, as appropriate, and shall make the prospectus available upon request to all interested parties.

(3) PROSPECTUS.—The prospectus shall include the following information:

(A) The minimum requirements for such contract as set forth in paragraph (4).

(B) The terms and conditions of any existing concessions contract relating to the services and facilities to be provided, including all fees and other forms of compensation provided to the United States by the concessioner.

(C) Other authorized facilities or services which may be provided in a proposal.

(D) Facilities and services to be provided by the Secretary to the concessioner, if any, including public access, utilities, and buildings.

(E) An estimate of the amount of compensation, if any, due an existing concessioner from a new concessioner under the terms of a prior concessions contract.

(F) A statement as to the weight to be given to each selection factor identified in the prospectus and the relative importance of such factors in the selection process.

(G) Such other information related to the proposed concessions operation as is provided to the Secretary pursuant to a concessions contract or is otherwise available to the Secretary, as the Secretary determines is necessary to allow for the submission of competitive proposals.

(H) Where applicable, a description of a preferential right to the renewal of the proposed concessions contract held by an existing concessioner as set forth in paragraph (7).

(4) MINIMUM REQUIREMENTS.—(A) No proposal shall be considered which fails to meet the minimum requirements as determined by the Secretary. Such minimum requirements shall include the following:

(i) The minimum acceptable franchise fee or other forms of consideration to the Government.

(ii) Any facilities, services, or capital investment required to be provided by the concessioner.

(iii) Measures necessary to ensure the protection, conservation, and preservation of resources of the unit of the National Park System.

(B) The Secretary shall reject any proposal, regardless of the franchise fee offered, if the Secretary determines that the person, corporation, or entity is not qualified, is not likely to provide satisfactory service, or that the proposal is not responsive to the objectives of protecting and preserving resources of the unit of the National Park System and of providing necessary and appropriate facilities and services to the public at reasonable rates.

(C) If all proposals submitted to the Secretary either fail to meet the minimum requirements or are rejected by the Secretary, the Secretary shall establish new minimum contract requirements and re-initiate the competitive selection process pursuant to this section.

(D) The Secretary may not execute a concessions contract which materially amends or does not incorporate the proposed terms and conditions of the concessions contract as set forth in the applicable prospectus. If proposed material amendments or changes are considered appropriate by the Secretary, the Secretary shall resolicit offers for the concessions contract incorporating such material amendments or changes.

(5) SELECTION OF THE BEST PROPOSAL.—(A) In selecting the best proposal, the Secretary shall consider the following principal factors:

(i) The responsiveness of the proposal to the objectives of protecting, conserving, and preserving resources of the unit of the National Park System and of providing necessary and appropriate facilities and services to the public at reasonable rates.

(ii) The experience and related background of the person, corporation, or entity submitting the proposal, including the past performance and expertise of such person, corporation or entity in providing the same or similar facilities or services.

(iii) The financial capability of the person, corporation, or entity submitting the proposal.

(iv) The proposed franchise fee, except that consideration of revenue to the United States shall be subordinate to the objectives of protecting, conserving, and preserving resources of the unit of the National Park System and of providing necessary and appropriate facilities to the public at reasonable rates.

(B) The Secretary may also consider such secondary factors as the Secretary deems appropriate.

(C) In developing regulations to implement this title, the Secretary shall consider the extent to which plans for employment of Indians (including Native Alaskans) and involvement of businesses owned by Indians, Indian tribes, or Native Alaskans in the operation of a concession, contracts should be identified as a factor in the selection of a best proposal under this section.

(6) CONGRESSIONAL NOTIFICATION.—The Secretary shall submit any proposed concessions contract with anticipated annual gross receipts in excess of $5,000,000 or a duration of more than 10 years to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. The Secretary shall not award any such proposed contract until at least 60 days subsequent to the notification of both committees.

(7) PREFERENTIAL RIGHT OF RENEWAL.—(A) Except as provided in subparagraph (B), the Secretary shall not grant a concessioner a preferential right to renew a concessions contract, or any other form of preference to a concessions contract.

(B) The Secretary shall grant a preferential right of renewal to an existing concessioner with respect to proposed renewals of the categories of concessions contracts described by paragraph (8), subject to the requirements of that paragraph.

(C) As used in this title, the term ''preferential right of renewal'' means that the Secretary, subject to a determination by the Secretary that the facilities or services authorized by a prior contract continue to be necessary and appropriate within the meaning of section 402, shall allow a concessioner qualifying for a preferential right of renewal the opportunity to match the terms and conditions of any competing proposal which the Secretary determines to be the best proposal for a proposed new concessions contract which authorizes the continuation of the facilities and services provided by the concessioner under its prior contract.

(D) A concessioner which successfully exercises a preferential right of renewal in accordance with the requirements of this title shall be entitled to award of the proposed new concessions contract to which such preference applies.

(8) OUTFITTER AND GUIDE SERVICES AND SMALL CONTRACTS.—(A) The provisions of paragraph (7) shall apply only to the following:

(i) Subject to subparagraph (B), outfitting and guide concessions contracts.

(ii) Subject to subparagraph (C), concessions contracts with anticipated annual gross receipts under $500,000.

(B) For the purposes of this title, an ''outfitting and guide concessions contract'' means a concessions contract which solely authorizes the provision of specialized backcountry outdoor recreation guide services which require the employment of specially trained and experienced guides to accompany park visitors in the backcountry so as to provide a safe and enjoyable experience for visitors who otherwise may not have the skills and equipment to engage in such activity. Outfitting and guide concessioners, where otherwise qualified, include concessioners which provide guided river running, hunting, fishing, horseback, camping, and mountaineering experiences. An outfitting and guide concessioner is entitled to a preferential right of renewal under this title only if—

(i) the contract with the outfitting and guide concessioner does not grant the concessioner any interest, including any leasehold surrender interest or possessory interest, in capital improvements on lands owned by the United States within a unit of the National Park System, other than a capital improvement constructed by a concessioner pursuant to the terms of a concessions contract prior to the date of the enactment of this title or constructed or owned by a concessioner or his or her predecessor before the subject land was incorporated into the National Park System;

(ii) the Secretary determines that the concessioner has operated satisfactorily during the term of the contract (including any extension thereof); and

(iii) the concessioner has submitted a responsive proposal for a proposed new contract which satisfies the minimum requirements established by the Secretary pursuant to paragraph (4).

(C) A concessioner that holds a concessions contract that the Secretary estimates will result in gross annual receipts of less than $500,000 if renewed shall be entitled to a preferential right of renewal under this title if—

(i) the Secretary has determined that the concessioner has operated satisfactorily during the term of the contract (including any extension thereof); and

(ii) the concessioner has submitted a responsive proposal for a proposed new concessions contract which satisfies the minimum requirements established by the Secretary pursuant to paragraph (4).

(9) NEW OR ADDITIONAL SERVICES.—The Secretary shall not grant a preferential right to a concessioner to provide new or additional services in a unit of the National Park System.

(10) SECRETARIAL AUTHORITY.—Nothing in this title shall be construed as limiting the authority of the Secretary to determine whether to issue a concessions contract or to establish its terms and conditions in furtherance of the policies expressed in this title.

(11) EXCEPTIONS.—Notwithstanding the provisions of this section, the Secretary may award, without public solicitation, the following:

(A) A temporary concessions contract or an extension of an existing concessions contract for a term not to exceed 3 years in order to avoid interruption of services to the public at a unit of the National Park System, except that prior to making such an award, the Secretary shall take all reasonable and appropriate steps to consider alternatives to avoid such interruption.

(B) A concessions contract in extraordinary circumstances where compelling and equitable considerations require the award of a concessions contract to a particular party in the public interest. Such award of a concessions contract shall not be made by the Secretary until at least 30 days after publication in the Federal Register of notice of the Secretary's intention to do so and the reasons for such action, and submission of notice to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives.

SEC. 404. TERM OF CONCESSIONS CONTRACTS.

A concessions contract entered into pursuant to this title shall generally be awarded for a term of 10 years or less. However, the Secretary may award a contract for a term of up to 20 years if the Secretary determines that the contract terms and conditions, including the required construction of capital improvements, warrant a longer term.

SEC. 405. PROTECTION OF CONCESSIONER INVESTMENT.

(a) LEASEHOLD SURRENDER INTEREST UNDER NEW CONCESSIONS CONTRACTS.—On or after the date of the enactment of this title, a concessioner that constructs a capital improvement upon land owned by the United States

within a unit of the National Park System pursuant to a concessions contract shall have a leasehold surrender interest in such capital improvement subject to the following terms and conditions:

(1) A concessioner shall have a leasehold surrender interest in each capital improvement constructed by a concessioner under a concessions contract, consisting solely of a right to compensation for the capital improvement to the extent of the value of the concessioner's leasehold surrender interest in the capital improvement.

(2) A leasehold surrender interest—

(A) may be pledged as security for financing of a capital improvement or the acquisition of a concessions contract when approved by the Secretary pursuant to this title;

(B) shall be transferred by the concessioner in connection with any transfer of the concessions contract and may be relinquished or waived by the concessioner; and

(C) shall not be extinguished by the expiration or other termination of a concessions contract and may not be taken for public use except on payment of just compensation.

(3) The value of a leasehold surrender interest in a capital improvement shall be an amount equal to the initial value (construction cost of the capital improvement), increased (or decreased) in the same percentage increase (or decrease) as the percentage increase (or decrease) in the Consumer Price Index, from the date of making the investment in the capital improvement by the concessioner to the date of payment of the value of the leasehold surrender interest, less depreciation of the capital improvement as evidenced by the condition and prospective serviceability in comparison with a new unit of like kind.

(4) Effective nine years after the date of the enactment of this Act, the Secretary may provide, in any particular new concession contract the Secretary estimates will have a leasehold surrender interest of more than $10,000,000, that the value of any leasehold surrender interest in a capital improvement shall be based on either (A) a reduction on an annual basis, in equal portions, over the same number of years as the time period associated with the straight line depreciation of the initial value (construction cost of the capital improvement), as provided by applicable Federal income tax laws and regulations in effect on the day before the date of the enactment of this Act or (B) such alternative formula that is consistent with the objectives of this title. The Secretary may only use such an alternative formula if the Secretary determines, after scrutiny of the financial and other circumstances involved in this particular concession contract (including providing notice in the Federal Register and opportunity for comment), that such alternative formula is, compared to the standard method of determining value provided for in paragraph (3), necessary in order to provide a fair return to the Government and to foster competition for the new contract by providing a reasonable opportunity to make a profit under the new contract. If no responsive offers are received in response to a solicitation that includes such an alternative formula, the concession opportunity shall be resolicited with the leasehold surrender interest value as described as paragraph (3).

(5) Where a concessioner, pursuant to the terms of a concessions contract, makes a capital improvement to an existing capital improvement in which the concessioner has a leasehold surrender interest, the cost of such additional capital improvement shall be added to the then current value of the concessioner's leasehold surrender interest.

(b) SPECIAL RULE FOR EXISTING POSSESSORY INTEREST.—

(1) A concessioner which has obtained a possessory interest as defined pursuant to Public Law 89–249 (commonly known as the National Park Service Concessions Policy Act; 16 U.S.C. 20 et seq.), as in effect on the day before the date of the enactment of this Act, under the terms of a concessions contract entered into before that date shall, upon the expiration or termination of such contract, be entitled to receive compensation for such possessory interest improvements in the amount and manner as described by such concessions contract. Where such a possessory interest is not described in the existing contract, compensation of possessory interest shall be determined in accordance with the laws in effect on the day before the date of enactment of this Act.

(2) In the event such prior concessioner is awarded a new concessions contract after the effective date of this title replacing an existing concessions contract, the existing concessioner shall, instead of directly receiving such possessory interest compensation, have a leasehold surrender interest in its existing possessory interest improvements under the terms of the new contract and shall carry over as the initial value of such leasehold surrender interest (instead of construction cost) an amount equal to the value of the existing possessory interest as of the termination date of the previous contract. In the event of a dispute between the concessioner and the Secretary as to the value of such possessory interest, the matter shall be resolved through binding arbitration.

(3) In the event that a new concessioner is awarded a concessions contract and is required to pay a prior concessioner for possessory interest in prior improvements, the new concessioner shall have a leasehold surrender interest in such prior improvements and the initial value in such leasehold surrender interest (instead of construction cost), shall be an amount equal to the value of the existing possessory interest as of the termination date of the previous contract.

(c) TRANSITION TO SUCCESSOR CONCESSIONER.—Upon expiration or termination of a concessions contract entered into after the effective date of this title, a concessioner shall be entitled under the terms of the concessions contract to receive from the United States or a successor concessioner the value of any leasehold surrender interest in a capital improvement as of the date of such expiration or termination. A successor concessioner shall have a leasehold surrender interest in such capital improvement under the terms of a new contract and the initial value of the leasehold surrender interest in such capital improvement (instead of construction cost) shall be the amount of money the new concessioner is required to pay the prior concessioner for its leasehold surrender interest under the terms of the prior concessions contract.

(d) TITLE TO IMPROVEMENTS.—Title to any capital improvement constructed by a concessioner on lands owned by the United States in a unit of the National Park System shall be vested in the United States.

(e) DEFINITIONS.—For purposes of this section:

(1) CONSUMER PRICE INDEX.—The term ''Consumer Price Index'' means the ''Consumer Price Index—All Urban Consumers'' published by the Bureau of Labor Statistics of the Department of Labor, unless such index is not published, in which case another regularly published cost-of-living index approximating the Consumer Price Index shall be utilized by the Secretary; and

(2) CAPITAL IMPROVEMENT.—The term ''capital improvement'' means a structure, fixture, or nonremovable equipment provided by a concessioner pursuant to the terms of a concessions contract and located on lands of the United States within a unit of the National Park System.

(f) SPECIAL REPORTING REQUIREMENT.— Not later than seven years after the date of the enactment of this Act, the Secretary shall submit a report to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives containing a complete analysis of the concession program as well as—

(1) an assessment of competition in the solicitation of prospectuses, fair and/or increased return to the Government, and improvement of concession facilities and infrastructure; and

(2) an assessment of any problems with the management and administration of the concession program that are a direct result of the implementation of the provisions of this title.

SEC. 406. REASONABLENESS OF RATES.

(a) IN GENERAL.—Each concessions contract shall permit the concessioner to set reasonable and appropriate rates and charges for facilities, goods, and services provided to the public, subject to approval under subsection (b).

(b) APPROVAL BY SECRETARY REQUIRED.—A concessioner's rates and charges to the public shall be subject to approval by the Secretary. The approval process utilized by the Secretary shall be as prompt and as unburdensome to the concessioner as possible and shall rely on market forces to establish reasonableness of rates and charges to the maximum extent practicable. The Secretary shall approve rates and charges that the Secretary determines to be reasonable and appropriate. Unless otherwise provided in the contract, the reasonableness and appropriateness of rates and charges shall be determined primarily by comparison with those rates and charges for facilities, goods, and services of comparable character under similar conditions, with due consideration to the following factors and other factors deemed relevant by the Secretary: length of season, peakloads, average percentage of occupancy, accessibility, availability and costs of labor and materials, and type of patronage. Such rates and charges may not exceed the market rates and charges for comparable facilities, goods, and services, after taking into account the factors referred to in the preceding sentence.

(c) IMPLEMENTATION OF RECOMMENDATIONS.—Not later than 6 months after receiving recommendations from the Advisory Board established under section 409(a) regarding concessioner rates and charges to the public, the Secretary shall implement the recommendations or report to the Congress the reasons for not implementing the recommendations.

SEC. 407. FRANCHISE FEES.

(a) IN GENERAL.—A concessions contract shall provide for payment to the government of a franchise fee or such other monetary consideration as determined by the Secretary, upon consideration of the probable value to the concessioner of the privileges granted by the particular contract involved. Such probable value shall be based upon a reasonable opportunity for net profit in relation to capital invested and the obligations of the contract. Consideration of revenue to the United States shall be subordinate to the objectives of protecting and preserving park areas and of providing necessary and appropriate services for visitors at reasonable rates.

(b) AMOUNT OF FRANCHISE FEE.—The amount of the franchise fee or other monetary consideration paid to the United States for the term of the concessions contract shall be specified in the concessions contract and may only be modified to reflect extraordinary unanticipated changes from the conditions anticipated as of the effective date of

the contract. The Secretary shall include in concessions contracts with a term of more than five years a provision which allows reconsideration of the franchise fee at the request of the Secretary or the concessioner in the event of such extraordinary unanticipated changes. Such provision shall provide for binding arbitration in the event that the Secretary and the concessioner are unable to agree upon an adjustment to the franchise fee in these circumstances.

(c) SPECIAL ACCOUNT.—All franchise fees (and other monetary consideration) paid to the United States pursuant to concessions contracts shall be deposited into a special account established in the Treasury of the United States. Twenty percent of the funds deposited in the special account shall be available for expenditure by the Secretary, without further appropriation, to support activities throughout the National Park System regardless of the unit of the National Park System in which the funds were collected. The funds deposited into the special account shall remain available until expended.

(d) SUBACCOUNT FOR EACH UNIT.—There shall be established within the special account required under subsection (c) a subaccount for each unit of the National Park System. Each subaccount shall be credited with 80 percent of the franchise fees (and other monetary consideration) collected at a single unit of the National Park System under concessions contracts. The funds credited to the subaccount for a unit of the National Park System shall be available for expenditure by the Secretary, without further appropriation, for use at the unit for visitor services and for purposes of funding high-priority and urgently necessary resource management programs and operations. The funds credited to a subaccount shall remain available until expended.

SEC. 408. TRANSFER OF CONCESSIONS CONTRACTS.

(a) APPROVAL OF THE SECRETARY.—No concessions contract or leasehold surrender interest may be transferred, assigned, sold, or otherwise conveyed or pledged by a concessioner without prior written notification to, and approval by, the Secretary.

(b) CONDITIONS.—The Secretary shall approve a transfer or conveyance described in subsection (a) unless the Secretary finds that—

(1) the individual, corporation or entity seeking to acquire a concessions contract is not qualified or able to satisfy the terms and conditions of the concessions contract;

(2) such transfer or conveyance would have an adverse impact on (A) the protection, conservation, or preservation of the resources of the unit of the National Park System or (B) the provision of necessary and appropriate facilities and services to visitors at reasonable rates and charges; and

(3) the terms of such transfer or conveyance are likely, directly or indirectly, to reduce the concessioner's opportunity for a reasonable profit over the remaining term of the contract, adversely affect the quality of facilities and services provided by the concessioner, or result in a need for increased rates and charges to the public to maintain the quality of such facilities and services.

(c) TRANSFER TERMS.—The terms and conditions of any contract under this section shall not be subject to modification or open to renegotiation by the Secretary because of a transfer or conveyance described in subsection (a), unless such transfer or conveyance would have an adverse impact as described in paragraph (2) of subsection (b).

SEC. 409. NATIONAL PARK SERVICE CONCESSIONS MANAGEMENT ADVISORY BOARD.

(a) ESTABLISHMENT.—There is hereby established a National Park Service Concessions Management Advisory Board (in this title referred to as the ''Advisory Board'') whose purpose shall be to advise the Secretary and National Park Service on matters relating to management of concessions in of the National Park System.

(b) DUTIES.—

(1) ADVICE.—The Advisory Board shall advise on each of the following:

(A) Policies and procedures intended to assure that services and facilities provided by concessioners are necessary and appropriate, meet acceptable standards at reasonable rates with a minimum of impact on park resources and values, and provide the concessioners with a reasonable opportunity to make a profit.

(B) Ways to make National Park Service concessions programs and procedures more cost effective, more process efficient, less burdensome, and timelier.

(2) RECOMMENDATIONS.—The Advisory Board shall make recommendations to the Secretary regarding each of the following:

(A) National Park Service contracting with the private sector to conduct appropriate elements of concessions management and providing recommendations to make more efficient, less burdensome, and timelier the review or approval of concessioner rates and charges to the public.

(B) The nature and scope of products which qualify as Indian, Alaska Native, and Native Hawaiian handicrafts within this meaning of this title.

(C) The allocation of concession fees.

The initial recommendations under subparagraph (A) relating to rates and charges shall be submitted to the Secretary not later than one year after the first meeting of the Board.

(3) ANNUAL REPORT.—The Advisory Board, commencing with the first anniversary of its initial meeting, shall provide an annual report on its activities to the Committee on Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate.

(c) ADVISORY BOARD MEMBERSHIP.—Members of the Advisory Board shall be appointed on a staggered basis by the Secretary for a term not to exceed four years and shall serve at the pleasure of the Secretary. The Advisory Board shall be comprised of not more than seven individuals appointed from among citizens of the United States not in the employment of the Federal Government and not in the employment of or having an interest in a National Park Service concession. Of the seven members of the Advisory Board—

(1) one member shall be privately employed in the hospitality industry and have both broad knowledge of hotel or food service management and experience in the parks and recreation concessions business;

(2) one member shall be privately employed in the tourism industry;

(3) one member shall be privately employed in the accounting industry;

(4) one member shall be privately employed in the outfitting and guide industry;

(5) one member shall be a State government employee with expertise in park concession management;

(6) one member shall be active in promotion of traditional arts and crafts; and

(7) one member shall be active in a nonprofit conservation organization involved in parks and recreation programs.

(d) TERMINATION.—The Advisory Board shall continue to exist until December 31, 2008. In all other respects, it shall be subject to the provisions of the Federal Advisory Committee Act.

(e) SERVICE ON ADVISORY BOARD.—Service of an individual as a member of the Advisory Board shall not be considered as service or employment bringing such individual within the provisions of any Federal law relating to conflicts of interest or otherwise imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with claims, proceedings, or matters involving the United States. Service as a member of the Advisory Board shall not be considered service in an appointive or elective position in the Government for purposes of section 8344 of title 5, United States Code, or other comparable provisions of Federal law.

SEC. 410. CONTRACTING FOR SERVICES.

(a) CONTRACTING AUTHORIZED.—(1) To the maximum extent practicable, the Secretary shall contract with private entities to conduct or assist in those elements of the management of the National Park Service concessions program considered by the Secretary to be suitable for non-Federal performance. Such management elements include each the following:

(A) Health and safety inspections.

(B) Quality control of concessions operations and facilities.

(C) Strategic capital planning for concessions facilities.

(D) Analysis of rates and charges to the public.

(2) The Secretary may also contract with private entities to assist the Secretary with each of the following:

(A) Preparation of the financial aspects of prospectuses for National Park Service concessions contracts.

(B) Development of guidelines for a national park system capital improvement and maintenance program for all concession occupied facilities.

(C) Making recommendations to the Director of the National Park Service regarding the conduct annual audits of concession fee expenditures.

(b) OTHER MANAGEMENT ELEMENTS.—The Secretary shall also consider, taking into account the recommendations of the Advisory Board, contracting out other elements of the concessions management program, as appropriate.

(c) CONDITION.—Nothing in this section shall diminish the governmental responsibilities and authority of the Secretary to administer concessions contracts and activities pursuant to this title and the Act of August 25, 1916 (commonly known as the National Park Service Organic Act; 16 U.S.C. 1 et seq.). The Secretary reserves the right to make the final decision or contract approval on contracting services dealing with the management of the National Park Service concessions program under this section.

SEC. 411. MULTIPLE CONTRACTS WITHIN A PARK.

If multiple concessions contracts are awarded to authorize concessioners to provide the same or similar outfitting, guiding, river running, or other similar services at the same approximate location or resource within a specific national park, the Secretary shall establish a comparable franchise fee structure for all such same or similar contracts, except that the terms and conditions of any existing concessions contract shall not be subject to modification or open to renegotiation by the Secretary because of a award of a new contract at the same approximate location or resource.

SEC. 412. SPECIAL RULE FOR TRANSPORTATION CONTRACTING SERVICES.

Notwithstanding any other provision of law, a service contract entered into by the Secretary for the provision solely of transportation services in a unit of the National Park System shall be no more than 10 years in length, including a base period of 5 years and annual extensions for an additional 5-

year period based on satisfactory performance and approval by the Secretary.

SEC. 413. USE OF NONMONETARY CONSIDERATION IN CONCESSIONS CONTRACTS.

Section 321 of the Act of June 30, 1932 (40 U.S.C. 303b), relating to the leasing of buildings and properties of the United States, shall not apply to contracts awarded by the Secretary pursuant to this title.

SEC. 414. RECORDKEEPING REQUIREMENTS.

(a) IN GENERAL.—Each concessioner shall keep such records as the Secretary may prescribe to enable the Secretary to determine that all terms of the concessions contract have been and are being faithfully performed, and the Secretary and any duly authorized representative of the Secretary shall, for the purpose of audit and examination, have access to such records and to other books, documents, and papers of the concessioner pertinent to the contract and all terms and conditions thereof.

(b) ACCESS TO RECORDS.—The Comptroller General or any duly authorized representative of the Comptroller General shall, until the expiration of 5 calendar years after the close of the business year of each concessioner or subconcessioner, have access to and the right to examine any pertinent books, papers, documents and records of the concessioner or subconcessioner related to the contract or contracts involved.

SEC. 415. REPEAL OF NATIONAL PARK SERVICE CONCESSIONS POLICY ACT.

(a) REPEAL.—Public Law 89–249 (commonly known as the National Park Service Concessions Policy Act; 16 U.S.C. 20 et seq.) is repealed. The repeal of such Act shall not affect the validity of any concessions contract or permit entered into under such Act, but the provisions of this title shall apply to any such contract or permit except to the extent such provisions are inconsistent with the terms and conditions of any such contract or permit. References in this title to concessions contracts awarded under authority of such Act also apply to concessions permits awarded under such authority.

(b) CONFORMING AMENDMENTS.—(1) The fourth sentence of section 3 of the Act of August 25, 1916 (commonly known as the National Park Service Organic Act; 16 U.S.C. 3), is amended—

(A) by striking all through ''no natural'' and inserting ''No natural,''; and

(B) by striking the last proviso in its entirety.

(2) Section 12 of Public Law 91–383 (commonly known as the National Park System General Authorities Act; 16 U.S.C. 1a–7) is amended by striking subsection (c).

(3) The second paragraph under the heading ''NATIONAL PARK SERVICE'' in the Act of July 31, 1953 (67 Stat. 261, 271), is repealed.

(c) ANILCA.—Nothing in this title amends, supersedes, or otherwise affects any provision of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3101 et seq.) relating to revenue-producing visitor services.

SEC. 416. PROMOTION OF THE SALE OF INDIAN, ALASKA NATIVE, NATIVE SAMOAN, AND NATIVE HAWAIIAN HANDICRAFTS.

(a) IN GENERAL.—Promoting the sale of authentic United States Indian, Alaskan Native, Native Samoan, and Native Hawaiian handicrafts relating to the cultural, historical, and geographic characteristics of units of the National Park System is encouraged, and the Secretary shall ensure that there is a continuing effort to enhance the handicraft trade where it exists and establish the trade in appropriate areas where such trade currently does not exist.

(b) EXEMPTION FROM FRANCHISE FEE.—In furtherance of these purposes, the revenue derived from the sale of United States Indian, Alaska Native, Native Samoan, and Native Hawaiian handicrafts shall be exempt from any franchise fee payments under this title.

SEC. 417. REGULATIONS.

As soon as practicable after the effective date of this title, the Secretary shall promulgate regulations appropriate for its implementation. Among other matters, such regulations shall include appropriate provisions to ensure that concession services and facilities to be provided in a unit of the National Park System are not segmented or otherwise split into separate concessions contracts for the purposes of seeking to reduce anticipated annual gross receipts of a concessions contract below $500,000. The Secretary shall also promulgate regulations which further define the term ''United States Indian, Alaskan Native, and Native Hawaiian handicrafts'' for the purposes of this title.

SEC. 418. COMMERCIAL USE AUTHORIZATIONS.

(a) IN GENERAL.—To the extent specified in this section, the Secretary , upon request, may authorize a private person, corporation, or other entity to provide services to visitors to units of the National Park System through a commercial use authorization. Such authorizations shall not be considered as concessions contracts pursuant to this title nor shall other sections of this title be applicable to such authorizations except where expressly so stated.

(b) CRITERIA FOR ISSUANCE OF AUTHORIZATIONS.—

(1) REQUIRED DETERMINATIONS.—The authority of this section may be used only to authorize provision of services that the Secretary determines will have minimal impact on resources and values of the unit of the National Park System and are consistent with the purpose for which the unit was established and with all applicable management plans and park policies and regulations.

(2) ELEMENTS OF AUTHORIZATION.—The Secretary shall—

(A) require payment of a reasonable fee for issuance of an authorization under this section, such fees to remain available without further appropriation to be used, at a minimum, to recover associated management and administrative costs;

(B) require that the provision of services under such an authorization be accomplished in a manner consistent to the highest practicable degree with the preservation and conservation of park resources and values;

(C) take appropriate steps to limit the liability of the United States arising from the provision of services under such an authorization; and

(D) have no authority under this section to issue more authorizations than are consistent with the preservation and proper management of park resources and values, and shall establish such other conditions for issuance of such an authorization as the Secretary determines appropriate for the protection of visitors, provision of adequate and appropriate visitor services, and protection and proper management of the resources and values of the park.

(c) LIMITATIONS.—Any authorization issued under this section shall be limited to—

(1) commercial operations with annual gross receipts of not more than $25,000 resulting from services originating and provided solely within a unit of the National Park System pursuant to such authorization;

(2) the incidental use of resources of the unit by commercial operations which provide services originating and terminating outside of the boundaries of the unit; or

(3) such uses by organized children's camps, outdoor clubs and nonprofit institutions (including back country use) and such other uses as the Secretary determines appropriate.

Nonprofit institutions are not required to obtain commercial use authorizations unless taxable income is derived by the institution from the authorized use.

(d) PROHIBITION ON CONSTRUCTION.—An authorization issued under this section shall not provide for the construction of any structure, fixture, or improvement on federally-owned lands within the boundaries of a unit of the National Park System.

(e) DURATION.—The term of any authorization issued under this section shall not exceed 2 years. No preferential right of renewal or similar provisions for renewal shall be granted by the Secretary.

(f) OTHER CONTRACTS.—A person, corporation, or other entity seeking or obtaining an authorization pursuant to this section shall not be precluded from also submitting proposals for concessions contracts.

SEC. 419. SAVINGS PROVISION.

(a) TREATMENT OF GLACIER BAY CONCESSION PERMITS PROSPECTUS.—Nothing contained in this title shall authorize or require the Secretary to withdraw, revise, amend, modify, or reissue the February 19, 1998, Prospectus Under Which Concession Permits Will be Open for Competition for the Operation of Cruise Ship Services Within Glacier Bay National Park and Preserve (in this section referred to as the ''1998 Glacier Bay Prospectus''). The award of concession permits pursuant to the 1998 Glacier Bay Prospectus shall be under provisions of existing law at the time the 1998 Glacier Bay Prospectus was issued.

(b) PREFERENTIAL RIGHT OF RENEWAL.—Notwithstanding any provision of this title, the Secretary, in awarding future Glacier Bay cruise ship concession permits covering cruise ship entries for which a preferential right of renewal existed prior to the effective date of this title, shall provide for such cruise ship entries a preferential right of renewal, as described in subparagraphs (C) and (D) of section 403(7). Any Glacier Bay concession permit awarded under the authority contained in this subsection shall expire by December 31, 2009.

TITLE V—FEES FOR USE OF NATIONAL PARK SYSTEM

SEC. 501. FEES.

Notwithstanding any other provision of law, where the National Park Service or an entity under a service contract with the National Park Service provides transportation to all or a portion of any unit of the National Park System, the Secretary may impose a reasonable and appropriate charge to the public for the use of such transportation services in addition to any admission fee required to be paid. Collection of both the transportation and admission fees may occur at the transportation staging area or any other reasonably convenient location determined by the Secretary. The Secretary may enter into agreements with public or private entities, who qualify to the Secretary's satisfaction, to collect the transportation and admission fee. Such transportation fees collected as per this section shall be retained by the unit of the National Park System at which the transportation fee was collected and the amount retained shall be expended only for costs associated with the transportation systems at the unit where the charge was imposed.

SEC. 502. DISTRIBUTION OF GOLDEN EAGLE PASSPORT SALES.

Not later than six months after the date of enactment of this title, the Secretary of the Interior and the Secretary of Agriculture shall enter into an agreement providing for

an apportionment among each agency of all proceeds derived from the sale of Golden Eagle Passports by private vendors. Such proceeds shall be apportioned to each agency on the basis of the ratio of each agency's total revenue from admission fees collected during the previous fiscal year to the sum of all revenue from admission fees collected during the previous fiscal year for all agencies participating in the Golden Eagle Passport Program.

TITLE VI—NATIONAL PARK PASSPORT PROGRAM

SEC. 601. PURPOSES.

The purposes of this title are—

(1) to develop a national park passport that includes a collectible stamp to be used for admission to units of the National Park System; and

(2) to generate revenue for support of the National Park System.

SEC. 602. NATIONAL PARK PASSPORT PROGRAM.

(a) PROGRAM.—The Secretary shall establish a national park passport program. A national park passport shall include a collectible stamp providing the holder admission to all units of the National Park System.

(b) EFFECTIVE PERIOD.—A national park passport stamp shall be effective for a period of 12 months from the date of purchase.

(c) TRANSFERABILITY.—A national park passport and stamp shall not be transferable.

SEC. 603. ADMINISTRATION.

(a) STAMP DESIGN COMPETITION.—(1) The Secretary shall hold an annual competition for the design of the collectible stamp to be affixed to the national park passport.

(2) Each competition shall be open to the public and shall be a means to educate the American people about the National Park System.

(b) SALE OF PASSPORTS AND STAMPS.—(1) National park passports and stamps shall be sold through the National Park Service and may be sold by private vendors on consignment in accordance with guidelines established by the Secretary.

(2) A private vendor may be allowed to collect a commission on each national park passport (including stamp) sold, as determined by the Secretary.

(3) The Secretary may limit the number of private vendors of national park passports (including stamps).

(c) USE OF PROCEEDS.—

(1) The Secretary may use not more than 10 percent of the revenues derived from the sale of national park passports (including stamps) to administer and promote the national park passport program and the National Park System.

(2) Net proceeds from the sale of national park passports shall be deposited in a special account in the Treasury of the United States and shall remain available until expended, without further appropriation, for high priority visitor service or resource management projects throughout the National Park System.

(d) AGREEMENTS.—The Secretary may enter into cooperative agreements with the National Park Foundation and other interested parties to provide for the development and implementation of the national park passport program and the Secretary shall take such actions as are appropriate to actively market national park passports and stamps.

(e) FEE.—The fee for a national park passport and stamp shall be $50.

SEC. 604. FOREIGN SALES OF GOLDEN EAGLE PASSPORTS.

The Secretary of Interior shall—

(1) make Golden Eagle Passports issued under section 4(a)(1)(A) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(a)(1)(A)) or the Recreational Fee Demonstration Program authorized by section 315 of the Department of the Interior and Related Agencies Appropriations Act, 1996 (section 101(c) of Public Law 104–134; 16 U.S.C. 460l–6a note), available to foreign visitors to the United States; and

(2) make such Golden Eagle Passports available for purchase outside the United States, through commercial tourism channels and consulates or other offices of the United States.

SEC. 605. EFFECT ON OTHER LAWS AND PROGRAMS.

(a) PARK PASSPORT NOT REQUIRED.—A national park passport shall not be required for—

(1) a single visit to a national park that charges a single visit admission fee under section 4(a)(2) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(a)(2)) or the Recreational Fee Demonstration Program authorized by section 315 of the Department of the Interior and Related Agencies Appropriations Act, 1996 (section 101(c) of Public Law 104–134; 16 U.S.C. 460l–6a note); or

(2) an individual who has obtained a Golden Age or Golden Access Passport under paragraph (4) or (5) of section 4(a) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(a)).

(b) GOLDEN EAGLE PASSPORTS.—A Golden Eagle Passport issued under section 4(a)(1)(A) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(a)(1)(A)) or such Recreational Fee Demonstration Program (16 U.S.C. 460l–6a note) shall be honored for admission to each unit of the National Park System.

(c) ACCESS.—A national park passport shall provide access to each unit of the National Park System under the same conditions, rules, and regulations as apply to access with a Golden Eagle Passport as of the date of enactment of this title.

(d) LIMITATIONS.—A national park passport may not be used to obtain access to other Federal recreation fee areas outside of the National Park System.

(e) EXEMPTIONS AND FEES.—A national park passport does not exempt the holder from or provide the holder any discount on any recreation use fee imposed under section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(b)) or such Recreational Fee Demonstration Program (16 U.S.C. 460l–6a note).

TITLE VII—NATIONAL PARK FOUNDATION SUPPORT

SEC. 701. PROMOTION OF LOCAL FUNDRAISING SUPPORT.

Public Law 90–209 (commonly known as the National Park Foundation Act; 16 U.S.C. 19 et seq.) is amended by adding at the end the following new section:

"SEC. 11. PROMOTION OF LOCAL FUNDRAISING SUPPORT.

''(a) ESTABLISHMENT.—The Foundation shall design and implement a comprehensive program to assist and promote philanthropic programs of support at the individual national park unit level.

''(b) IMPLEMENTATION.—The program under subsection (a) shall be implemented to—

''(1) assist in the creation of local nonprofit support organizations; and

''(2) provide support, national consistency, and management-improving suggestions for local nonprofit support organizations.

''(c) PROGRAM.—The program under subsection (a) shall include the greatest number of national park units as is practicable.

''(d) REQUIREMENTS.—The program under subsection (a) shall include, at a minimum—

''(1) a standard adaptable organizational design format to establish and sustain responsible management of a local nonprofit support organization for support of a national park unit;

''(2) standard and legally tenable bylaws and recommended money-handling procedures that can easily be adapted as applied to individual national park units; and

''(3) a standard training curriculum to orient and expand the operating expertise of personnel employed by local nonprofit support organizations.

''(e) ANNUAL REPORT.—The Foundation shall report the progress of the program under subsection (a) in the annual report of the Foundation.

''(f) AFFILIATIONS.—

''(1) CHARTER OR CORPORATE BYLAWS.—Nothing in this section requires—

''(A) a nonprofit support organization or friends group to modify current practices or to affiliate with the Foundation; or

''(B) a local nonprofit support organization, established as a result of this section, to be bound through its charter or corporate bylaws to be permanently affiliated with the Foundation.

''(2) ESTABLISHMENT.—An affiliation with the Foundation shall be established only at the discretion of the governing board of a nonprofit organization.''.

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 801. UNITED STATES PARK POLICE.

(a) APPOINTMENT OF TASK FORCE.—Not later than 60 days after the date of enactment of this title, the Secretary shall appoint a multidisciplinary task force to fully evaluate the shortfalls, needs, and requirements of law enforcement programs in the National Park Service, including a separate analysis for the United States Park Police, which shall include a review of facility repair, rehabilitation, equipment, and communication needs.

(b) SUBMISSION OF REPORT.—Not later than one year after the date of enactment of this title, the Secretary shall submit to the Committees on Energy and Natural Resources and Appropriations of the United States Senate and the Committees on Resources and Appropriations of the United States House of Representatives a report that includes—

(1) the findings and recommendations of the task force;

(2) complete justifications for any recommendations made; and

(3) a complete description of any adverse impacts that would occur if any need identified in the report is not met.

SEC. 802. LEASES AND COOPERATIVE MANAGEMENT AGREEMENTS.

(a) IN GENERAL.—Section 3 of Public Law 91–383 (commonly known as the National Park System General Authorities Act; 16 U.S.C. 1a–2) is amended by adding at the end the following:

''(k) LEASES.—

''(1) IN GENERAL.—Except as provided in paragraph (2) and subject to paragraph (3), the Secretary may enter into a lease with any person or governmental entity for the use of buildings and associated property administered by the Secretary as part of the National Park System.

''(2) PROHIBITED ACTIVITIES.—The Secretary may not use a lease under paragraph (1) to authorize the lessee to engage in activities that are subject to authorization by the Secretary through a concessions contract, commercial use authorization, or similar instrument.

''(3) USE.—Buildings and associated property leased under paragraph (1)—

''(A) shall be used for an activity that is consistent with the purposes established by law for the unit in which the building is located;

''(B) shall not result in degradation of the purposes and values of the unit; and

''(C) shall be compatible with National Park Service programs.

''(4) RENTAL AMOUNTS.—

''(A) IN GENERAL.—With respect to a lease under paragraph (1)—

''(i) payment of fair market value rental shall be required; and

''(ii) section 321 of the Act of June 30, 1932 (47 Stat. 412, chapter 314; 40 U.S.C. 303b) shall not apply.

''(B) ADJUSTMENT.—The Secretary may adjust the rental amount as appropriate to take into account any amounts to be expended by the lessee for preservation, maintenance, restoration, improvement, or repair and related expenses.

''(C) REGULATION.—The Secretary shall promulgate regulations implementing this subsection that includes provisions to encourage and facilitate competition in the leasing process and provide for timely and adequate public comment.

''(5) SPECIAL ACCOUNT.—

''(A) DEPOSITS.—Rental payments under a lease under paragraph (1) shall be deposited in a special account in the Treasury of the United States.

''(B) AVAILABILITY.—Amounts in the special account shall be available until expended, without further appropriation, for infrastructure needs at units of the National Park System, including—

''(i) facility refurbishment;

''(ii) repair and replacement;

''(iii) infrastructure projects associated with park resource protection; and

''(iv) direct maintenance of the leased buildings and associated properties.

''(C) ACCOUNTABILITY AND RESULTS.—The Secretary shall develop procedures for the use of the special account that ensure accountability and demonstrated results consistent with this Act.

''(l) COOPERATIVE MANAGEMENT AGREEMENTS.—

''(1) IN GENERAL.—Where a unit of the National Park System is located adjacent to or near a State or local park area, and cooperative management between the National Park Service and a State or local government agency of a portion of either park will allow for more effective and efficient management of the parks, the Secretary may enter into an agreement with a State or local government agency to provide for the cooperative management of the Federal and State or local park areas. The Secretary may not transfer administration responsibilities for any unit of the National Park System under this paragraph.

''(2) PROVISION OF GOODS AND SERVICES.—Under a cooperative management agreement, the Secretary may acquire from and provide to a State or local government agency goods and services to be used by the Secretary and the State or local governmental agency in the cooperative management of land.

''(3) ASSIGNMENT.—An assignment arranged by the Secretary under section 3372 of title 5, United States Code, of a Federal, State, or local employee for work in any Federal, State, or local land or an extension of such an assignment may be for any period of time determined by the Secretary and the State or local agency to be mutually beneficial.''.

(b) HISTORIC LEASE PROCESS SIMPLIFICATION.—The Secretary is directed to simplify, to the maximum extent possible, the leasing process for historic properties with the goal of leasing available structures in a timely manner.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentleman from California (Mr. MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it has taken a long time, in fact years, to craft a bill that addresses needed changes within the National Park Service including concession reform and a bill which has general agreement by the majority, minority and the administration. But I think we reach that point where this bill, S. 1693, as amended, just does that. Credit is due to many people, but I especially want to mention three gentlemen in particular who are personally involved in the bill: Senator DALE BUMPERS, Secretary of Interior Bruce Babbitt, and of course Senator CRAIG THOMAS of Wyoming, the sponsor of the bill. These gentlemen, and many, many others have worked very hard in the spirit of cooperation and compromise to develop this bill.

I believe we have in the amended S. 1693 a bill that addresses a variety of important concerns and issues raised by everyone from small outfitters and guides to the National Park Service. We have made good and necessary changes to the bill and come to many agreements on language and content alike. Among other things, the bill establishes a career development training and management program for the National Park Service and develops a comprehensive training program for Park Service employees to enable them to manage, interpret and protect park resources.

S. 1693 also establishes a scientific research program for the National Park Service by entering into cooperative agreements with colleges and universities to establish cooperative study units for multi-disciplinary and monitoring programs. Furthermore, S. 1693 codifies the Park Service procedures for studying areas of potential addition to the national park system. It establishes several criteria to be considered in evaluating potential park areas and ensures that only outstanding examples of our Nation's natural cultural and recreational resources will be added to the park system.

The bill makes significant changes to National Park Service concession policies and in fact repeals the Concession Act of 1965. Some of those highlights include concession contracts will be awarded through a competitive selection process. Concessionaires would no longer be granted a preferential right to renew their contract except for outfitter and guide services and those with contracts with gross annual revenue of less than $500,000. It provides that the concessionaires' interest in newly-built facilities will be equal to the concessionaires' construction costs with annual adjustments for inflation. A concessionaire would be entitled to receive payment for the lease hold surrender value from the United States or a successor concessionaire. However. It also provides that after 9 years in new contracts that if a lease hold interest is over 10 million in value, the value would be based on an annual reduction of equal proportions over a time period associated with straight line depression or other such formula consistent with the act. The alternative formula can be used only if it is shown that it is necessary for a fair return to the government.

In addition, this bill provides for the establishments of a broad-based Concessions Advisory Board to advise the Secretary on Concession Management Activities. It also deals with the National Park Service Fee Authority and adds a few minor provisions in regard to transportation systems and fee collection and authorizes a new national park passport which gives the holder unlimited access to units of the national park system.

Mr. Speaker, it has taken years and countless hours of work to get us to this point where we have a bill that has general agreement by nearly all the parties involved. The provisions contained in this bill are clearly necessary in order to improve and enhance our treasured National Parks. I strongly urge all my colleagues to support this bill, as amended.

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

The SPEAKER pro tempore. Without objection, the gentleman from Minnesota (Mr. VENTO) will control the time originally controlled by the gentleman from California (Mr. MILLER).

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend those that have come together to work on this, including the Secretary of Interior and our Senate colleagues that were mentioned by the gentleman from Utah (Mr. HANSEN), the gentleman from Alaska (Mr. YOUNG) as well as the gentleman from California (Mr. MILLER), our ranking member. As the Members are aware, I have a deep interest and longtime interest in the management of our parks and the specific provisions in this bill. Specifically, along with the gentleman from Colorado (Mr. HEFLEY), I was pleased to work initially on the new park study provisions in this bill which hopefully will provide a policy path for our designation of any new park units in the future and perhaps a focus on existing units to be certain that the types of designations and administration are workable. So often we see parks designated without the type of background study and understanding, and the end result is that we place a burden on the system and on our resources impossible to properly manage these lands. There are also, of course, changes that are important in terms of recognizing the professionalism of the Park Service, of all of the land management agencies. The Park Service does not have the status, the same status as other land management agencies have achieved to date and it certainly should have such status.

□ 1115

This measure will go a long way toward providing the in-service training that is necessary. Today land management decisions, especially parks with the important law that they administer, the 1916 Organic Act, it is an especially difficult process and challenge for them to meet. The type of training that is anticipated in this bill will point the direction and give the know how to manage these cultural and natural resources, really the icons in the public land scheme, our parks.

Furthermore, of course, the resource inventory and management provisions of this bill specifically mandate Park Service research to ensure that managers benefit from the high quality science and information when making resource management decisions.

We have to have information available in order to have managers do their jobs properly. Increasingly, that is going to require coordination. I well know that former director of the Park Service Kennedy had tried to reorganize the Park Service along with a plan organized to separate some of the staff and line management and providing the type of resource and research effort that would be available for those park superintendents and personnel that have the significant responsibilities.

The important part of this bill that I am sure will get most of the attention from the Members is the concession policy, the revamping of that. As has been pointed out by the subcommittee chairman, the gentleman from Utah (Chairman HANSEN), this measure repeals the previous law that has long served as the benchmark for determining concessions, management and awarding of contracts.

Importantly, this bill eliminates the preferential right of renewal so that each bidder comes into the process and they bid for the concession to provide that service in the park on an equal basis, so that those who have been in that particular role at least in the competitive portion the large concession contracts bidders will face more competition.

Secondly, it revamps the investment in facilities. What before had been the possessory interest and a buildup of value now is referred to as a leasehold surrender interest and, of course, there will be a conversion from the possessory interest to such leaseholder surrender interest. That, I think, is going to be an improvement.

What I think is very significant is this will probably last for the first nine years, and then the Secretary of Interior, acting through the Park Service Director, will have the opportunity to revamp that again, along the lines of marketplace type of concerns. That is to say, especially for contracts over a certain value, over $10 million, as the subcommittee chairman indicated, there would be an opportunity for straight line depreciation and amortization of such particular contracts.

This is an important change. Obviously the concessionaires have been with us and have been present in some cases before the park system was even established in 1916. So it is important to understand that the concessionaires role in terms of providing for the enjoyment and use of our parks has played an essential role.

So this marriage of the private sector, of entrepreneurial interest with the parks, has been a long-standing tradition in this Nation and has served us generally well.

We come to this point where there is a value added, where there is a buildup of investment by the concessionaire an interest in a park, and we need to address it as to value. This bill is a new approach, and we are all thinking optimistically that it will work today.

Finally, the concession fees that obtained here provide that 8 percent of the dollars, I believe I am correct, of the franchise fees, will be retained in special accounts and expended by the Interior Department for park purposes without further appropriation. This is important.

Most individuals assume that park fees dollars collected would stay within the park. That has not always been the case. Very often they are siphoned off by the Treasury. Very often our Committee on Appropriations and OMB take special note of these dollars and discount what would otherwise be deemed sufficient support for such parks. Hopefully we will fight to make certain that this practice is reversed.

There are other minor changes in the bill. I note along the lines of the new national Park Passport program, which we will keep a close eye on to see how it performs alongside the Golden Eagle Passport, and provisions dealing with local fund-raising support and the Park Police study, as well as new building leases authority, which, of course, occur where the Park Service has property that they want to lease generally to the private party.

I think collectively this is a good effort, a good accomplishment and intended to support it.

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

Mr. HANSEN. Mr. Speaker, I yield two minutes to the gentleman from Nevada (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise today to engage the distinguished chairman of the subcommittee, the gentleman from Utah (Mr. HANSEN), who has been a strong advocate for the conservation and well treatment of America's public lands in a colloquy.

The bill before us today, S. 1693, establishes a new plan for advertising and awarding concession contracts on National Park Service lands. However, the bill is silent with regard to continuing applicability of the priority of licensed blind vendors under the Randolph Sheppard Act of 1936.

Mr. Chairman, does Senate 1693 intend in any way to repeal, waive, supersede or undermine the now existing Randolph Sheppard Act for blind business enterprise programs?

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Utah.

Mr. HANSEN. Mr. Speaker, I appreciate the gentleman bringing up this issue. I would have to respond and say that S. 1693 does not repeal the Randolph Sheppard Act and nothing in this act should be interpreted to eliminate prohibit or diminish provisions found in the Randolph Sheppard Act. We worked with yourself and the gentleman from Nevada (Mr. ENSIGN) for several years to ensure that concessionary form does not affect application of the Randolph Sheppard Act.

Mr. GIBBONS. Mr. Speaker, reclaiming my time, I would like to thank the chairman for his clarification of this crucial point. I urge support of the bill.

Mr. HANSEN. Mr. Speaker, I am pleased to yield two minutes to the gentleman from Alaska (Mr. YOUNG), the distinguished chairman of the Committee on Resources.

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, there is a lot of work that has gone into this legislation. There is a lot of, I hope, hopeful signs that we will not address this issue too soon unless there is some misapplication of the legislation by the Department of Interior.

I have been a strong supporter of the concessionaires because they bring visitors to the parks and they open the parks for the people I believe they should be serving. There has been some policies of the Park Service to exclude people from the parks for their own services. I think that is very unfortunate.

But I would like to address section 419, that ensures it does not disrupt the ongoing bidding process for cruise ships entry permits in Glacier Bay National Park. The administration does support this provision.

It grandfathers the 1998 Glacier Bay Prospectus in current law. The prospectus was issued last February, and is the basis for awarding cruise ship entry permits in Glacier Bay. These are 5 year permits lasting from the year 2000 to the year 2004.

Without this language, the bill could force the Park Service to redo the prospectus. Years of expensive work and extensive negotiations will be thrown out the window. The measure provides that terms and conditions of existing law apply to the prospectus, and also sunsets a preference to renew Glacier Bay entry permits on December 31, 2009.

I believe this solves a unique problem in a unique problem. Section 419 does not apply to any other park in the Nation. I believe this is a correct step forward, and I would suggest respectfully, although have I some reservation, Senator THOMAS has done a great job on this, as has the gentleman from California (Mr. MILLER) and the gentleman

from Utah (Mr. HANSEN). I support the legislation.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. MILLER), the ranking member and one of the architects of this bill.

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I want to join in commending Secretary Babbitt and Senator THOMAS and Senator DALE BUMPERS, who will be retiring from this Congress, and our Chairman, the gentleman from Alaska (Mr. YOUNG), for all of their efforts on behalf of this legislation.

I also want you to know that the gentleman from Minnesota (Mr. VENTO), who is managing the bill here today, has in fact been involved in trying to bring balance to the concessions policy of our National Park System now for many, many years, and has really been an architect of the underlying framework of concession reform.

Of particular interest to me are the changes we made in the original bill's provision on leasehold surrender interests. I had objected to these provisions in committee because they were untested and could very well maintain some of the anticompetitive aspects that exist today with the National Parks' concession program.

By the narrowest of margins, the resource committee failed to adopt an amendment I offered to replace the leasehold surrender interest provisions with a system of amortization of the concessionaire investment similar to that used throughout the concessions industry and in the private real estate market.

Subsequent to the committee action on S. 1693, my staff and I had discussions with a number of principals of this legislation. The result of these discussions has been an agreement to change the LSI provisions. These changes allow the untested LSI provisions to be used for the next major round of concession contracts. However, following that period, if the Secretary finds that either straight line depreciation or an alternative formula is needed to promote competition and a fair return to the government, the Secretary can use either of these two options after informing the Congress.

The second issue that was raised at the 11th hour deals with the concessions permit for cruise ships in Glacier National Park, as the gentleman from Alaska has just referred to. The language we were originally given was a complete exemption for these permits. The agreement that we have worked out provides a phaseout for the preferential right of renewal of these cruise ship permits by December 31, 2009.

I think it is important to note that under this phaseout the preferential right of renewal cannot be granted nor can such a right exist beyond December 31, 2009.

Mr. Speaker, like many compromises, this is not perfect, but it is one I can support, and it reflects an awful lot of hard work by all of the people that I mentioned in the beginning of my statement, and I want to thank the committee for bringing this legislation to the floor of the House and recommend its passage.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just comment that, of course, we have recognized the ranking member, but we have not recognized the ranking minority member the gentleman from American Samoa (Mr. FALEOMAVAEGA), and again, the gentleman from Utah (Mr. HANSEN), for their work, and the chairman and ranking member in the House. They have done a good job in sewing this together.

I would just suggest that we will be watching very carefully. I think a well-crafted law on concessions here, very prescriptive, not leaving a lot of room obviously could present some problems to any administrator, including Secretary of Interior Babbitt or his successors. But most of these laws are about as good as what the Secretary will really make them. So I think we have to be careful and I think operate in good faith with regard to what the meaning and intent is in this instance.

There are special challenges facing our parks today, and I think that the park visitor, the park professionals, and the concessionaire, all share a responsibility in terms of preserving the corpus of that park, its natural and/or cultural resources at the same time providing for public enjoyment.

Parks, of course, are threatened by the areas around them, the interface whether it is air and water quality, or even the land use activities that go on around outside their boundaries. Increasingly these National Park islands, these special places of cultural and natural resources, really are treasures, and do confront many, many problems. What has gone on in the past in terms of practices obviously has to change in light with new knowledge and information.

This bill uniquely obviously, providing a new policy path for concessions, also gives more information and more training to the people that manage those. While Congress maintains an active view and role with its prescriptive policy making in this bill, I hope that we will recognize and accept the information and the facts.

Usually, I think about our job here as not being all that tough. All we have to do is take new information, new knowledge, and translate it into public policy. But very often it breaks down many ways because of various interests that get involved, and I think too often improperly.

With that said, I am hopeful that this bill will be a positive step forward. I think it is a positive step forward, and I support the bill.

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

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not think a lot of people realize as they go to our beautiful parks in America who makes them that way. Of course the park system does, and we compliment those folks who wear those Smoky Bear hats and give us good information and help us out.

But on the other side of the coin, when you go to a place like Yellowstone and you go to the Lake Lodge or the Old Faithful Lodge, or you go to the beautiful expansion of the north rim of the Grand Canyon and look over that panorama that takes your breath away, who makes it so you can have a good meal and park your car and buy petrol and all of the things that are necessary?

I think in a way we sometimes diminish the role of the concessionaires in our National Parks. These people do us a good job, and without those people, we could not really look at the parks and enjoy them the way we do.

A lot of us go to parks for different reasons. Every time I go to one of the National Parks I see some young folks with backpacks on going up in the area to look at certain areas. They are pretty well on their own. Most of the folks in the parks require a number of services.

□ 1130

I hope we never diminish the role of the concessionaire in the parks. Every time we plow new ground with a piece of legislation, we are always going to hit a few rocks. I think maybe that will happen in this one. I would hope that the concessionaires of America realize that what we are trying to do is a step forward for the people we serve, the constituents of America, and that if we have hit a few rocks, that we will resolve these at a later time.

I hope people realize how much work it is to get a bill like this to the floor. I have been on that committee for 18 years, chaired it for the last 4 years, and every year we have looked at something to do on changing concessionaires around. Finally, this is the product before us. Is it a 10? There is never a 10 around here, but I think it is at least a 7 or 8. I would suggest that people vote for it.

I do not know if the people realize the work of staff, these people sitting with us, the great amount of work. I can imagine it is the most frustrating thing they have gone through, every sentence, comma, semicolon, to get this thing worked out.

For Senator CRAIG THOMAS, who has been so tenacious in bringing this bill to us at this time, the gentleman from Alaska (Chairman YOUNG) and others, this is a very difficult piece of legislation to put together. I would urge my colleagues to support it. I think it is much better than we have got now, and it surely deserves our support.

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

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from

Utah (Mr. HANSEN) that the House suspend the rules and pass the Senate bill, S. 1693, as amended.

The question was taken.

Mr. VENTO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

SENSE OF THE HOUSE REGARDING GUAM

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 494) expressing the sense of the House of Representatives that the United States has enjoyed the loyalty of the United States citizens of Guam, and that the United States recognizes the centennial anniversary of the Spanish-American war as an opportune time for Congress to reaffirm its commitment to increase self-government, consistent with self-determination, for the people of Guam.

The Clerk read as follows:

H. RES. 494

Whereas the Chamorro people have inhabited Guam and the Mariana Islands for at least 4,000 years and developed a unique and autonomous seafaring agrarian culture, governing themselves through their own form of district government;

Whereas in 1565 the Kingdom of Spain claimed the islands of the Chamorro people, which were named the Ladrones by Ferdinand Magellan in 1521 and renamed the Marianas by the Jesuit missionary Diego Luis de San Vitores in 1668, to secure the trans-Pacific route of the Manila-Acapulco Galleon Trade, then, upon San Vitores's death in 1672, the islands were placed under military governance;

Whereas in 1898 the United States defeated the Kingdom of Spain in the Spanish-American War and acquired Guam, Puerto Rico, and the Philippines by virtue of the Treaty of Paris;

Whereas, in signing the treaty, the United States Government accepted responsibility for its new possessions and agreed that Congress would determine the civil rights and political status of the native inhabitants, as stated specifically in Article IX;

Whereas President William McKinley, by Executive Order 108–A on December 23, 1898, placed the island of Guam under the administration of the United States Navy, which administered and governed the island, initially as a coaling station, then as a major supply depot at the end of World War II;

Whereas a series of rulings popularly known as the ''Insular Cases'', issued by the United States Supreme Court from 1901 to 1922, defined Guam as an ''unincorporated territory'' in which the United States Constitution was not fully applicable;

Whereas the United States Naval Government of Guam was forced to surrender the island of Guam to the invading forces of the Japanese Imperial Army on December 10, 1941, after which Japanese occupation and control of Guam lasted until the United States Forces recaptured the island in 1944;

Whereas Guam is the only remaining United States territory to have been occupied by Japanese forces during World War II, the occupation lasting for 32 months from 1941 to 1944;

Whereas the people of Guam remained loyal to the United States throughout the Japanese occupation, risked torture and death to help clothe and feed American soldiers hiding from enemy forces, and were subjected to forced labor, ruthless executions, and other brutalities for their support of the United States;

Whereas, upon liberation of the people of Guam, the island was returned to United States Navy governance, which, like its prewar predecessor, limited the civil and political rights of the people, despite numerous appeals and petitions to higher authorities and Congress for the granting of United States citizenship and relief from military rule;

Whereas in 1945, upon establishment of the United Nations, the United States voluntarily listed Guam as a nonself-governing territory, pursuant to Article 73 of the United Nations Charter, and today Guam continues to be included in this list;

Whereas on March 6, 1949, the House of Assembly, the lower house of the popularly elected 9th Guam Congress, which was merely an advisory body to the Naval Governor of Guam, adjourned in protest over the limitation of its legislative rights granted to it by the United States Department of the Navy in 1947 and refused to reconvene until the United States Congress enacted an organic act for Guam;

Whereas the Organic Act of Guam (64 Stat. 384) passed by Congress and signed by President Truman on August 1, 1950, statutorily decreed Guam's status as an ''unincorporated territory'', established a three-branched civilian government patterned after the Federal model, and conferred United States citizenship upon the people of Guam;

Whereas, since the granting of American citizenship, the people of Guam have greater participation in the American democratic processes and some measure of self-government;

Whereas the people of Guam, who strongly adhere to the belief that a government should derive power and right from the governed, successfully gathered enough support to push for the passage of the Elective Governor Act (Public Law 90–497) on September 11, 1968, and in which Congress granted the people of Guam the right to elect their own governor and lieutenant governor;

Whereas the Congress enacted the Guam-Virgin Islands Delegate bill on April 10, 1972, allowing for Guam to have a nonvoting delegate in the United States House of Representatives, and although the delegate is not accorded a vote on the floor of the House of Representatives, it is still one of the benchmarks in Guam's political evolution and heightens Guam's visibility in the national arena;

Whereas, although Congress authorized in Public Law 94–584, the formation of a locally drafted constitution, the subsequent Guam Constitution, it was not ratified by Guam's electorate through a referendum on August 4, 1979;

Whereas concerns regarding Guam's political status led the Twelfth Guam Legislature to create the first political status commission in 1973, known as the Status Commission, the Thirteenth Guam Legislature in 1975 created another commission, known as the Second Political Status Commission, to address Guam's political status issue and explore alternative status options, and in 1980, the existing Guam Commission on Self-Determination (CSD) was created to identify and pursue the status choice of the people of Guam, and in 1996 the Twenty-Fourth Guam Legislature created the Commission on Decolonization to continue pursuing Guam's political status;

Whereas the CSD, after conducting studies on 5 Guam political status options, proceeded to conduct a public education campaign, which was followed by a status referendum on January 12, 1982 in which 49 percent of the people of Guam voted for Commonwealth, 26 percent for Statehood, 10 percent for Status Quo, 5 percent for Incorporated Status, 4 percent for Free Association, 4 percent Independence, and 2 percent for other options;

Whereas on September 4, 1982, a runoff was held between commonwealth and statehood, the top options from the January referendum, with the outcome of the runoff resulting in 27 percent voting for statehood and 73 percent of Guam's electorate casting their votes in favor of a close relationship with the United States through a Commonwealth of Guam structure for local self-government;

Whereas in 1988 the people of Guam first presented the Guam Commonwealth Act to Congress to meet the various aspirations of the people of Guam, which bill has been reintroduced by Guam's Congressional delegates since 1988 until the present;

Whereas Congress has continued to enact other measures to address the various aspirations of the people of Guam, while considering legislative approaches to advance self-government without precluding Guam's further right of self-determination, consistent with the national political climate that emphasizes decentralization of the decision making process from Washington to the local governments and a relationship with the Federal Government that is based on mutual respect and consent of the governed; and

Whereas the people of Guam are loyal citizens of the United States and have repeatedly demonstrated their commitment to the American ideals of democracy and civil rights, as well as to American leadership in times of peace as well as war, prosperity as well as want: Now, therefore, be it

Resolved, That the House of Representatives—

(1) recognizes 100 years of Guam's loyalty and service to the United States; and

(2) will use the centennial anniversary of the 1898 Spanish-American War to reaffirm its commitment to the United States citizens of Guam for increased self-government, consistent with self-determination for the people of Guam.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from California (Mr. MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, I support this resolution on the centennial of the Spanish-American War to recognize the loyalty of the United States citizens of Guam who have become part of this Nation due to that conflict.

This resolution serves as recognition of Guam's 100 years of loyalty and service to the United States, and calls on the House of Representatives to reaffirm its commitment to the people of Guam for increased self-government.

Mr. Speaker, it has been one hundred years since the United States raised the first American flag over Guam on July 21, 1898. The islands were transferred to the United States after the Spanish-American War pursuant to the Treaty of Paris, signed December 10, 1898, and raitifed and proclaimed on April 11, 1899. Article IX of the Treaty states that ''The civil rights and political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by the Congress.''

Guam was administered by the United States Navy until forced to surrender the island in 1941 to the invading forces of Japan. During the occupation from 1941 to 1944, the people of Guam remained staunchly loyal to the United States, risking torture and death, and subject to forced labor, ruthless executions, and other brutalities. The island was returned to U.S. Naval jurisdiction after the liberation of the people of Guam in 1944.

As an unincorporated territory of the United States, Guam's relationship with the United States has been characterized by Guam's political development from an island administered by the U.S. Department of the Navy to one governed by the people of Guam under the Guam Organic Act approved by Congress in 1950 in Public Law 630. In the same Act, Congress extended U.S. citizenship to the people of Guam. Congress subsequently authorized expanded self-governance by permitting the people of Guam to elect their own government and a delegate to represent them in the U.S. House of Representatives. In addition, in 1976 Congress committed to a major advance in self-government for Guam by authorizing a constitution, which Guam has yet to complete.

Today, while the people of Guam continue their quest for increased self-government within the United States community, they can be assured that the adoption of a constitution as authorized by Congress will not prejudice or preclude their right of self-determination and the fundamental right to seek a change in their political status in the future. This resolution serves as recognition of Guam's 100 years of loyalty and service to the United States and calls on the House of Representatives to reaffirm its commitment to the people of Guam for increased self-government.

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

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the request of my distinguished colleague, the gentleman from Guam (Mr. UNDERWOOD) who is traveling to his district on official business, I urge this body to support House Resolution 494, the Guam centennial resolution.

This resolution recognizes Guam's 100-year relationship with the United States, but more importantly, it reaffirms this body's commitment to Guam's request to address the issue of status.

One hundred years ago the United States acquired Guam, along with the Philippines and Puerto Rico, after the Spanish-American war. Guam's relationship with the United States since 1898 has been characterized by Guam's strategic location in the Asian Pacific region.

Soon after its acquisition, Guam was primarily acquired as a coaling station by American ships. Since then Guam has expanded its role to become America's bridge to the Asian-Pacific region. It boasts the only $10 billion military infrastructure west of the international dateline, as well as a $3 billion civilian economy.

Mr. Speaker, Guam's unique relationship with the United States not only stems from its strategic value, but in part can be explained through the understanding of Guam's history with the United States. Guam is the only American territory today which was occupied by enemy forces during World War II.

The people of Guam endured forced marches and beheadings for doggedly assisting American soldiers during the occupation. Through the Organic Act of 1950, the people of Guam became American citizens, an event which allowed them a greater opportunity to participate in the American political system.

Guam's press for increased self-government was made evident soon after American governance. However, it was not until 1973 that concerns about Guam's political status officially materialized in the form of the first Political Status Commission.

As testament to Guam's commitment to the political future and faith in the American system of government, the Guam Commonwealth Act was introduced in the 101st Congress and in each successive Congress since that time. Through the passage of this resolution, we are commemorating our historic ties with America's westernmost Pacific territory, and we are reaffirming our commitment to address their concerns.

I urge my colleagues to support the Guam centennial resolution.

Mr. Speaker, I include for the RECORD the statement of the gentleman from Guam (Mr. UNDERWOOD) regarding this very important resolution.

Mr. UNDERWOOD. Mr. Speaker, I would like to thank my colleagues on both sides of the aisle who have demonstrated their utmost support for the people of Guam by cosponsoring the Guam Centennial Resolution. I would also like to thank my colleague and Chairman of the Resources Committee, Mr. YOUNG, for his leadership in moving this legislation.

It has been one hundred years since the United States first set foot on Guam's shores; and it has been one hundred years since Guam officially came under the American flag. As a consequence of the Spanish-American War, Spain ceded Guam, Puerto Rico, and the Philippines over to the United States. This centennial anniversary carries varied significance for the people of Guam. On the one hand, we are commemorating Guam's one hundred year old relationship with the United States. On the other hand, we have an opportunity to examine this very same relationship, specifically Guam's political status under the United States.

Mr. Speaker, the resolution we have before us today, the Guam Centennial Resolution, specifically addresses these concerns. I introduced this resolution not only to commemorate Guam's unique relationship with the United States, but also to remind this body that the United States must address Guam's political status as decreed in the Treaty of Paris, which ended the Spanish-American War. To this date, Guam is still under the United Nations' list of Non Self-Governing Territories.

Guam was first used as a coaling station by American ships sailing in the region, its strategic Pacific location made it an attractive base for America's Armed Forces and was actually commanded by the American Navy in the early years. During World War II, Guam remained loyal to the American flag despite the brutal three-year occupation by Japanese forces. It was not until 1950 that the people of Guam because American citizens.

It is important to note that even as early as 1901, only three years after American rule over our island, there was already a campaign for basic civil rights. H. Res. 494, or the Guam Centennial Resolution, is another avenue for such political expression. It expressly calls on this body to reaffirm its commitment to the people of Guam in our quest for increased self government. Since the 101st Congress to the present time, Guam's delegates to Congress have introduced the Guam Commonwealth Act, legislation which would not only alter Guam's relationship with the United States, but also lend greater local rule for Guam. Just last year, Guam's leaders had the historic opportunity to testifying before the Resources Committee regarding Guam's quest for Commonwealth. As long as it remains the political will of the people, I will continue to vigorously advocate for Guam's Commonwealth status.

On this occasion of the centennial anniversary of Guam's relationship with the United States, let us remember our commitment to the people of Guam and support the passage of H. Res. 494.

Mr. GILMAN. Mr. Speaker, I want to commend the Gentleman from Guam for introducing and crafting this resolution. It is important that the full House has the opportunity to express its support for this important resolution.

H. Res. 494 expresses the sense of the House of Representatives that the United States has enjoyed the loyalty of the United States citizens of Guam, and that the United States recognizes the centennial anniversary of the Spanish American War as an opportune time for Congress to reaffirm its commitment to increase self-government consistent with self-determination for the people of Guam.

Our nation has a long history of friendship with Guam and many of the small island nations in the South Pacific. Guam played a key role in projecting U.S. firepower during World War II, during Vietnam and during later conflicts.

Guam's strategic access and the many sacrifices of its people have not gone unnoticed by the Congress. The citizens of Guam deserve a greater say in their affairs and it should be up to them to decide what sort of relationship they want with the United States.

Accordingly, I support the gentleman's resolution and urge my colleagues to support H. Res. 494.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today in strong support of House Resolution 494, the Guam Centennial Resolution.

Mr. Speaker, as other speakers have already noted, this year marks the 100th anniversary of the first flying of the American flag

over the island of Guam. Over the past 100 years, a lot of things have changed, but Guam's loyalty to the United States has remained steadfast.

To the best of my knowledge, Guam remains the only populated U.S. territory to have been captured and occupied by enemy forces during World War II. Despite the repressive tactics of the Japanese during their three-year occupation of the Island of Guam, the people of Guam remained loyal to the United States, and lost many lives and suffered inhumane treatment simply because they retained this strong loyalty.

The citizens of Guam have in the past and continue to support our military services with high enlistment rates and the loss of local land given up for military based in support of their island and the rest of our nation. Even today, Guam hosts significant naval and air force bases which frequently are the staging point for national military operations in the Pacific. As foreign countries have dictated the removal of our operational stations in the western Pacific, Guam's location in the central Pacific has increased in importance, and today is considered to be of strategic importance.

Despite the support of the U.S. citizens in Guam of the United States over the past century, their desire for increased autonomy has met with resistance in Washington, D.C. I wish to commend Congressman UNDERWOOD for his efforts to fight for increased automy for the people of Guam and for his efforts to move this legislation to the floor today.

I also want to recognize Congressman DON YOUNG, Chairman of the Committee on Resources, and Congressman GEORGE MILLER, Senior Democrat on the Committee for their support of today's legislation and their continued support of the U.S. insular areas in general.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and agree to the resolution, H. Res. 494.

The question was taken.

Mr. MILLER of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 494, the resolution just agreed to.

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

There was no objection.

AMERICAN HOME OWNERSHIP ACT OF 1998

Mr. LAZIO of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3899) to expand home ownership in the United States, as amended.

The Clerk read as follows:

H.R. 3899

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''American Homeownership Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purpose.

TITLE I—REMOVAL OF BARRIERS TO AFFORDABLE HOUSING

Sec. 101. Short title.
Sec. 102. Housing impact analysis.
Sec. 103. Grants for regulatory barrier removal strategies.
Sec. 104. Eligibility for community development block grants.
Sec. 105. Regulatory barriers clearinghouse.

TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE AND LOAN GUARANTEES

Sec. 201. Adjustable rate mortgages.
Sec. 202. Housing inspection study.
Sec. 203. Definition of area.
Sec. 204. Extension of loan term for manufactured home lots.
Sec. 205. Repeal of requirements for approval for insurance prior to start of construction.
Sec. 206. Rehabilitation demonstration grant program.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

Sec. 301. Downpayment assistance.

TITLE IV—HOME INVESTMENT PARTNERSHIPS PROGRAM

Sec. 401. Reauthorization.
Sec. 402. Eligibility of limited equity cooperatives and mutual housing associations.
Sec. 403. Leveraging affordable housing investment through local loan pools.
Sec. 404. Loan guarantees.

TITLE V—LOCAL HOMEOWNERSHIP INITIATIVES

Sec. 501. Reauthorization of neighborhood reinvestment corporation.
Sec. 502. Homeownership zones.
Sec. 503. Lease-to-own.
Sec. 504. Local capacity building.

TITLE VI—MANUFACTURED HOUSING IMPROVEMENT

Sec. 601. Short title and references.
Sec. 602. Findings and purposes.
Sec. 603. Definitions.
Sec. 604. Federal manufactured home construction and safety standards.
Sec. 605. Abolishment of national manufactured home advisory council.
Sec. 606. Public information.
Sec. 607. Research, testing, development, and training.
Sec. 608. Fees.
Sec. 609. Elimination of annual report requirement.
Sec. 610. Effective date.
Sec. 611. Savings provision.

TITLE VII—INDIAN HOUSING HOMEOWNERSHIP

Sec. 701. Indian lands title report commission.

TITLE VIII—TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS

Sec. 801. Transfer of unoccupied and substandard HUD-held housing to local governments and community development corporations.
Sec. 802. Amendment to revitalization area disposition program.
Sec. 803. Report on revitalization zones for HUD-owned single family properties.
Sec. 804. Technical correction to income targeting provisions for project-based assistance.
Sec. 805. Technical corrections to the Multifamily Assisted Housing Reform and Affordability Act of 1997.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the priorities of our Nation should include expanding homeownership opportunities by providing access to affordable housing that is safe, clean, and healthy;

(2) our Nation has an abundance of conventional capital sources available for homeownership financing; and

(3) experience with local homeownership programs has shown that if flexible capital sources are available, communities possess ample will and creativity to provide opportunities uniquely designed to assist their citizens in realizing the American dream of homeownership.

(b) PURPOSE.—It is the purpose of this Act—

(1) to encourage and facilitate homeownership by families in the United States who are not otherwise able to afford homeownership; and

(2) to expand homeownership through policies that—

(A) promote the ability of the private sector to produce affordable housing without excessive government regulation;

(B) encourage tax incentives, such as the mortgage interest deduction, at all levels of government; and

(C) facilitate the availability of flexible capital for homeownership opportunities.

TITLE I—REMOVAL OF BARRIERS TO AFFORDABLE HOUSING

SEC. 101. SHORT TITLE.

This title may be cited as the ''Affordable Housing Barrier Removal Act of 1998''.

SEC. 102. HOUSING IMPACT ANALYSIS.

(a) APPLICABILITY.—The requirements of this section shall apply with respect to—

(1) any proposed rule, unless the agency promulgating the rule—

(A) has certified that the proposed rule will not, if given force or effect as a final rule, have a significant deleterious impact on housing affordability; and

(B) has caused such certification to be published in the Federal Register at the time of publication of general notice of proposed rulemaking for the rule, together with a statement providing the factual basis for the certification; and

(2) any final rule, unless the agency promulgating the rule—

(A) has certified that the rule will not, if given force or effect, have a significant deleterious impact on housing affordability; and

(B) has caused such certification to be published in the Federal Register at the time of publication of the final rule, together with a statement providing the factual basis for the certification.

Any agency making a certification under this subsection shall provide a copy of such certification and the statement providing the factual basis for the certification to the Secretary of Housing and Urban Development.

(b) STATEMENT OF PROPOSED RULEMAKING.—Whenever an agency publishes general notice of proposed rulemaking for any proposed rule, unless the agency has made a certification under subsection (a), the agency shall—

(1) in the notice of proposed rulemaking—

(A) state with particularity the text of the proposed rule; and

(B) request any interested persons to submit to the agency any written analyses, data, views, and arguments, and any specific alternatives to the proposed rule that—

(i) accomplish the stated objectives of the applicable statutes, in a manner comparable to the proposed rule;

(ii) result in costs to the Federal Government equal to or less than the costs resulting from the proposed rule; and

(iii) result in housing affordability greater than the housing affordability resulting from the proposed rule;

(2) provide an opportunity for interested persons to take the actions specified under paragraph (1)(B) before promulgation of the final rule; and

(3) prepare and make available for public comment an initial housing impact analysis in accordance with the requirements of subsection (c).

(c) INITIAL HOUSING IMPACT ANALYSIS.—

(1) REQUIREMENTS.—Each initial housing impact analysis shall describe the impact of the proposed rule on housing affordability. The initial housing impact analysis or a summary shall be published in the Federal Register at the same time as, and together with, the publication of general notice of proposed rulemaking for the rule. The agency shall transmit a copy of the initial housing impact analysis to the Secretary of Housing and Urban Development.

(2) MONTHLY HUD LISTING.—On a monthly basis, the Secretary of Housing and Urban Development shall cause to be published in the Federal Register, and shall make available through a World Wide Web site of the Department, a listing of all proposed rules for which an initial housing impact analysis was prepared during the preceding month.

(3) CONTENTS.—Each initial housing impact analysis required under this subsection shall contain—

(A) a description of the reasons why action by the agency is being considered;

(B) a succinct statement of the objectives of, and legal basis for, the proposed rule;

(C) a description of and, where feasible, an estimate of the extent to which the proposed rule would increase the cost or reduce the supply of housing or land for residential development; and

(D) an identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap, or conflict with the proposed rule.

(d) PROPOSAL OF LESS DELETERIOUS ALTERNATIVE RULE.—

(1) ANALYSIS.—The agency publishing a general notice of proposed rulemaking shall review any specific analyses and alternatives to the proposed rule which have been submitted to the agency pursuant to subsection (b)(2) to determine whether any alternative to the proposed rule—

(A) accomplishes the stated objectives of the applicable statutes, in a manner comparable to the proposed rule;

(B) results in costs to the Federal Government equal to or less than the costs resulting from the proposed rule; and

(C) results in housing affordability greater than the housing affordability resulting from the proposed rule.

(2) NEW NOTICE OF PROPOSED RULEMAKING.—If the agency determines that an alternative to the proposed rule meets the requirements under subparagraphs (A) through (C) of paragraph (1), unless the agency provides an explanation on the record for the proposed rule as to why the alternative should not be implemented, the agency shall incorporate the alternative into the final rule or, at the agency's discretion, issue a new proposed rule which incorporates the alternative.

(e) FINAL HOUSING IMPACT ANALYSIS.—

(1) REQUIREMENT.—Whenever an agency promulgates a final rule after publication of a general notice of proposed rulemaking, unless the agency has made the certification under subsection (a), the agency shall prepare a final housing impact analysis.

(2) CONTENTS.—Each final housing impact analysis shall contain—

(A) a succinct statement of the need for, and objectives of, the rule;

(B) a summary of the significant issues raised during the public comment period in response to the initial housing impact analysis, a summary of the assessment of the agency of such issues, and a statement of any changes made in the proposed rule as a result of such comments; and

(C) a description of and an estimate of the extent to which the rule will impact housing affordability or an explanation of why no such estimate is available.

(3) AVAILABILITY.—The agency shall make copies of the final housing impact analysis available to members of the public and shall publish in the Federal Register such analysis or a summary thereof.

(f) AVOIDANCE OF DUPLICATIVE OR UNNECESSARY ANALYSES.—

(1) DUPLICATION.—Any Federal agency may perform the analyses required by subsections (c) and (e) in conjunction with or as a part of any other agenda or analysis required by any other law, executive order, directive, or rule if such other analysis satisfies the provisions of such subsections.

(2) JOINDER.—In order to avoid duplicative action, an agency may consider a series of closely related rules as one rule for the purposes of subsections (c) and (e).

(g) PREPARATION OF ANALYSES.—In complying with the provisions of subsections (c) and (e), an agency may provide either a quantifiable or numerical description of the effects of a proposed rule or alternatives to the proposed rule, or more general descriptive statements if quantification is not practicable or reliable.

(h) EFFECT ON OTHER LAW.—The requirements of subsections (c) and (e) do not alter in any manner standards otherwise applicable by law to agency action.

(i) PROCEDURE FOR WAIVER OR DELAY OF COMPLETION.—

(1) INITIAL HOUSING IMPACT ANALYSIS.—An agency head may waive or delay the completion of some or all of the requirements of subsection (c) by publishing in the Federal Register, not later than the date of publication of the final rule, a written finding, with reasons therefor, that the final rule is being promulgated in response to an emergency that makes compliance or timely compliance with the provisions of subsection (a) impracticable.

(2) FINAL HOUSING IMPACT ANALYSIS.—An agency head may not waive the requirements of subsection (e). An agency head may delay the completion of the requirements of subsection (e) for a period of not more than 180 days after the date of publication in the Federal Register of a final rule by publishing in the Federal Register, not later than such date of publication, a written finding, with reasons therefor, that the final rule is being promulgated in response to an emergency that makes timely compliance with the provisions of subsection (e) impracticable. If the agency has not prepared a final housing impact analysis pursuant to subsection (e) within 180 days from the date of publication of the final rule, such rule shall lapse and have no force or effect. Such rule shall not be repromulgated until a final housing impact analysis has been completed by the agency.

(j) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) HOUSING AFFORDABILITY.—The term ''housing affordability'' means the quantity of housing that is affordable to families having incomes that do not exceed 150 percent of the median income of families in the area in which the housing is located, with adjustments for smaller and larger families. For purposes of this paragraph, area, median family income for an area, and adjustments for family size shall be determined in the same manner as such factors are determined for purposes of section 3(b)(2) of the United States Housing Act of 1937.

(2) AGENCY.—The term ''agency'' means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

(A) the Congress;

(B) the courts of the United States;

(C) the governments of the territories or possessions of the United States;

(D) the government of the District of Columbia;

(E) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

(F) courts-martial and military commissions;

(G) military authority exercised in the field in time of war or in occupied territory; or

(H) functions conferred by—

(i) sections 1738, 1739, 1743, and 1744 of title 12, United States Code;

(ii) chapter 2 of title 41, United States Code;

(iii) subchapter II of chapter 471 of title 49, United States Code; or

(iv) sections 1884, 1891–1902, and former section 1641(b)(2), of title 50, appendix, United States Code.

(3) FAMILIES.—The term ''families'' has the meaning given such term in section 3 of the United States Housing Act of 1937.

(4) RULE.—The term ''rule'' means any rule for which the agency publishes a general notice of proposed rulemaking pursuant to section 553(b) of title 5, United States Code, or any other law, including any rule of general applicability governing grants by an agency to State and local governments for which the agency provides an opportunity for notice and public comment; except that such term does not include a rule of particular applicability relating to rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services, or allowances therefor or to valuations, costs or accounting, or practices relating to such rates, wages, structures, prices, appliances, services, or allowances.

(5) SIGNIFICANT.—The term ''significant'' means increasing consumers' cost of housing by more than $100,000,000 per year.

(k) DEVELOPMENT.—Not later than 1 year after the date of the enactment of this title, the Secretary of Housing and Urban Development shall develop model initial and final housing impact analyses under this section and shall cause such model analyses to be published in the Federal Register. The model analyses shall define the primary elements

of a housing impact analysis to instruct other agencies on how to carry out and develop the analyses required under subsections (a) and (c).

(l) JUDICIAL REVIEW.—

(1) DETERMINATION BY AGENCY.—Except as otherwise provided in paragraph (2), any determination by an agency concerning the applicability of any of the provisions of this title to any action of the agency shall not be subject to judicial review.

(2) OTHER ACTIONS BY AGENCY.—Any housing impact analysis prepared under subsection (c) or (e) and the compliance or noncompliance of the agency with the provisions of this title shall not be subject to judicial review. When an action for judicial review of a rule is instituted, any housing impact analysis for such rule shall constitute part of the whole record of agency action in connection with the review.

(3) EXCEPTION.—Nothing in this subsection bars judicial review of any other impact statement or similar analysis required by any other law if judicial review of such statement or analysis is otherwise provided by law.

SEC. 103. GRANTS FOR REGULATORY BARRIER REMOVAL STRATEGIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(a)) is amended to read as follows:

''(a) FUNDING.—There is authorized to be appropriated for grants under subsections (b) and (c) $15,000,000 for fiscal year 1999 and each fiscal year thereafter through fiscal year 2003.''.

(b) CONSOLIDATION OF STATE AND LOCAL GRANTS.—Subsection (b) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(b)) is amended—

(1) in the subsection heading, by striking ''STATE GRANTS'' and inserting ''GRANT AUTHORITY'';

(2) in the matter preceding paragraph (1), by inserting after ''States'' the following: ''and units of general local government (including consortia of such governments)'';

(3) in paragraph (3), by striking ''a State program to reduce State and local'' and inserting ''State, local, or regional programs to reduce'';

(4) in paragraph (4), by inserting ''or local'' after ''State''; and

(5) in paragraph (5), by striking ''State''.

(c) REPEAL OF LOCAL GRANTS PROVISION.—Section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c) is amended by striking subsection (c).

(d) APPLICATION AND SELECTION.—The last sentence of section 1204(e) of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(e)) is amended—

(1) by striking ''and for the selection of units of general local government to receive grants under subsection (f)(2); and

(2) by inserting before the period at the end the following: ''and such criteria shall require that grant amounts be used in a manner consistent with the strategy contained in the comprehensive housing affordability strategy for the jurisdiction pursuant to section 105(b)(4) of the Cranston-Gonzalez National Affordable Housing Act''.

(e) SELECTION OF GRANTEES.—Subsection (f) of section 1204 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705c(f)) is amended to read as follows:

''(f) SELECTION OF GRANTEES.—To the extent amounts are made available to carry out this section, the Secretary shall provide grants on a competitive basis to eligible grantees based on the proposed uses of such amounts, as provided in applications under subsection (e).''.

(f) TECHNICAL AMENDMENTS.—Section 107(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5307(a)(1)) is amended—

(1) in subparagraph (G), by inserting ''and'' after the semicolon at the end;

(2) by striking subparagraph (H); and

(3) by redesignating subparagraph (I) as subparagraph (H).

SEC. 104. ELIGIBILITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS.

(a) IN GENERAL.—Section 104(c)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(c)(1)) is amended by inserting before the comma the following: '', which shall include making a good faith effort to carry out the strategy established under section 105(b)(4) of such Act by the unit of general local government to remove barriers to affordable housing''.

(b) RULE OF CONSTRUCTION.—The amendment made by subsection (a) may not be construed to create any new private right of action.

SEC. 105. REGULATORY BARRIERS CLEARINGHOUSE.

Section 1205 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking ''receive, collect, process, and assemble'' and inserting ''serve as a national repository to receive, collect, process, assemble, and disseminate'';

(B) in paragraph (1)—

(i) by striking '', including'' and inserting ''(including''; and

(ii) by inserting before the semicolon at the end the following: ''), and the prevalence and effects on affordable housing of such laws, regulations, and policies'';

(C) in paragraph (2), by inserting before the semicolon the following: '', including particularly innovative or successful activities, strategies, and plans''; and

(D) in paragraph (3), by inserting before the period at the end the following: '', including particularly innovative or successful strategies, activities, and plans'';

(2) in subsection (b)—

(A) in paragraph (1), by striking ''and'' at the end;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) by making available through a World Wide Web site of the Department, by electronic mail, or otherwise, provide to each housing agency of a unit of general local government that serves an area having a population greater than 100,000, an index of all State and local strategies and plans submitted under subsection (a) to the clearinghouse, which—

''(A) shall describe the types of barriers to affordable housing that the strategy or plan was designed to ameliorate or remove; and

''(B) shall, not later than 30 days after submission to the clearinghouse of any new strategy or plan, be updated to include the new strategy or plan submitted.''; and

(3) by adding at the end the following new subsections:

''(c) ORGANIZATION.—The clearinghouse under this section shall be established within the Office of Policy Development of the Department of Housing and Urban Development and shall be under the direction of the Assistant Secretary for Policy Development and Research.

''(d) TIMING.—The clearinghouse under this section (as amended by section 105 of the Affordable Housing Barrier Removal Act of 1998) shall be established and commence carrying out the functions of the clearinghouse under this section not later than 1 year after the date of the enactment of such Act. The Secretary of Housing and Urban Development may comply with the requirements under this section by reestablishing the clearinghouse that was originally established to comply with this section and updating and improving such clearinghouse to the extent necessary to comply with the requirements of this section as in effect pursuant to the enactment of such Act.''.

TITLE II—HOMEOWNERSHIP THROUGH MORTGAGE INSURANCE AND LOAN GUARANTEES

SEC. 201. ADJUSTABLE RATE MORTGAGES.

Section 251(c) of the National Housing Act (12 U.S.C. 1715z–16(c)) is amended—

(1) by striking ''(c) The'' and inserting ''(c)(1) Except as provided in paragraph (2), the''; and

(2) by adding at the end the following new paragraph:

''(2)(A) The Secretary may, not less than 30 days after submitting to the Congress a written finding under subparagraph (B), insure under this section in the fiscal year for which the finding is submitted an aggregate number of mortgages and loans not exceeding 40 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.

''(B) A finding under this subparagraph is a finding that—

''(I) the limitation under paragraph (1) on authority to insure mortgages and loans during a fiscal year will be reached before the end of that fiscal year;

''(II) an increase in such limitation is necessary to meet the demand for insurance under this section during the fiscal year;

''(III) the Mutual Mortgage Insurance Fund is actuarily sound; and

''(IV) an increase in such limitation will not adversely impact the actuarial soundness of the Mutual Mortgage Insurance Fund.''.

SEC. 202. HOUSING INSPECTION STUDY.

The Comptroller General of the United States shall conduct a study regarding the inspection of properties purchased with loans insured under section 203 of the National Housing Act. The study shall evaluate—

(1) the feasibility of requiring inspections of properties purchased with loans insured under such section;

(2) the level of financial losses or savings to the Mutual Mortgage Insurance Fund that are likely to occur if inspections are required on properties purchased with loans insured under such section;

(3) the potential impact on the process of buying a home if inspections of properties purchased with loans insured under such section are required, including the process of buying a home in underserved areas where losses to the Mutual Mortgage Insurance Fund are greatest;

(4) the difference, if any, in the quality of homes purchased with loans insured under such section that are inspected before purchase and such homes that are not inspected before purchase;

(5) the cost to homebuyers of requiring inspections before purchase of properties with loans insured under such section;

(6) the extent, if any, to which requiring inspections of properties purchased with loans insured under such section will result in adverse selection of loans insured under such section; and

(7) homebuyer knowledge regarding property inspections and the extent to which such knowledge affects the decision of homebuyers to opt for or against having a property inspection before purchasing a home.

SEC. 203. DEFINITION OF AREA.

(a) DISCRETION TO ENLARGE AREAS AND MEDIAN PRICE IN MSA'S.—Section 203(b)(2) of

the National Housing Act (12 U.S.C. 1709(b)(2)) is amended, the first sentence after subparagraph (B), by inserting before the period the following: ''; except that the Secretary may provide that any county or statistical area, together with any counties contiguous or proximate to such county or statistical area, be treated as a single area for purposes of the preceding sentence; and except that the median 1-family housing price for any metropolitan statistical area shall be equal to the median 1-family housing price of the county within the area that has the highest such median price''.

(b) MEDIAN PRICE IN EXPANDED MSA'S.—The first sentence after subparagraph (B) of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)), as amended by subsection (a) of this section, is further amended by inserting before the period at the end the following: ''; and except that for fiscal year 1999 the median 1-family housing price for any area (for purposes of the preceding sentence) that consists of a metropolitan statistical area together with the counties contiguous or proximate to such metropolitan statistical area shall be equal to the median 1-family housing price of the county within such area (for purposes of the preceding sentence) that has the highest such median price''.

SEC. 204. EXTENSION OF LOAN TERM FOR MANUFACTURED HOME LOTS.

Section 2(b)(3)(E) of the National Housing Act (12 U.S.C. 1703(b)(3)(E)) is amended by striking ''fifteen'' and inserting ''twenty''.

SEC. 205. REPEAL OF REQUIREMENTS FOR APPROVAL FOR INSURANCE PRIOR TO START OF CONSTRUCTION.

The National Housing Act is amended—

(1) in section 203 (12 U.S.C. 1709)—

(A) in subsection (b)(2), by striking the 4th sentence in the first undesignated paragraph following subparagraph (B); and

(B) in subsection (i), by striking ''(or, in any case'' and all that follows through ''90 centum)''; and

(2) in section 220(d)(3)(A)(i) (12 U.S.C. 1715k(d)(3)(A)(i)), by striking ''(but, in any case'' and all that follows through ''90 per centum)''.

SEC. 206. REHABILITATION DEMONSTRATION GRANT PROGRAM.

(a) SHORT TITLE.—Effective immediately after the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, section 599G of such Act is amended—

(1) by redesignating subsections (a), (b), (c), (d), (e), (f), and (g) as subsections (b), (c), (d), (e), (f), (g), and (h), respectively; and

(2) by inserting before subsection (b) (as so redesignated) the following new subsection:

''(a) SHORT TITLE.—This section may be cited as the 'Joseph P. Kennedy II Homeownership Rehabilitation Demonstration Grant Act'.''.

(b) AVAILABILITY OF MMIF.—Section 205 of the National Housing Act (12 U.S.C. 1711) is amended by adding at the end the following new subsection:

''(i) AVAILABILITY FOR REHABILITATION PROGRAM.—Amounts in the Mutual Mortgage Insurance Fund shall be available to the Secretary during fiscal year 1999 to carry out the program under section 599G of the Quality Housing and Work Responsibility Act of 1998, except that the Secretary may not use more than an aggregate of $25,000,000 from the Mutual Mortgage Insurance Fund for such purpose.''.

TITLE III—SECTION 8 HOMEOWNERSHIP OPTION

SEC. 301. DOWNPAYMENT ASSISTANCE.

(a) AMENDMENTS.—Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting after paragraph (6) the following new paragraph:

''(7) DOWNPAYMENT ASSISTANCE.—

''(A) AUTHORITY.—A public housing agency may, in lieu of providing monthly assistance payments under this subsection on behalf of a family eligible for such assistance and at the discretion of the public housing agency, provide assistance for the family in the form of a single grant to be used only as a contribution toward the downpayment required in connection with the purchase of a dwelling for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts.

''(B) AMOUNT.—The amount of a downpayment grant on behalf of an assisted family may not exceed the amount that is equal to the sum of the assistance payments that would be made during the first year of assistance on behalf of the family, based upon the income of the family at the time the grant is to be made.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect immediately after the amendments made by section 555(c) of the Quality Housing and Work Responsibility Act of 1998 take effect pursuant to such section.

TITLE IV—HOME INVESTMENT PARTNERSHIPS PROGRAM

SEC. 401. REAUTHORIZATION.

Section 205 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12724) is amended to read as follows:

''SEC. 205. AUTHORIZATION.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this title $1,600,000,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000 through 2003, of which—

''(1) not more than $25,000,000 in each such fiscal year shall be for community housing partnership activities authorized under section 233; and

''(2) not more than $15,000,000 in each such fiscal year shall be for activities in support of State and local housing strategies authorized under subtitle C.

''(b) PROHIBITION OF SET-ASIDES.—Except as provided in subsection (a) of this section and section 217(a)(3), amounts appropriated pursuant to subsection (a) or otherwise to carry out this title shall be used only for formula-based grants allocated pursuant to section 217 and may not be otherwise used unless the provision of law providing for such other use specifically refers to this subsection and specifically states that such provision modifies or supersedes the provisions of this subsection.''.

SEC. 402. ELIGIBILITY OF LIMITED EQUITY COOPERATIVES AND MUTUAL HOUSING ASSOCIATIONS.

(a) CONGRESSIONAL FINDINGS.—Section 202(10) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721(10)) is amended by inserting ''mutual housing associations,'' after ''limited equity cooperatives,''.

(b) DEFINITIONS.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended—

(1) by redesignating paragraph (23) as paragraph (22);

(2) by redesignating paragraph (24) (relating to the definition of ''insular area'') as paragraph (23); and

(3) by adding at the end the following new paragraphs:

''(26) The term 'limited equity cooperative' means a cooperative housing corporation which, in a manner determined by the Secretary to be acceptable, restricts income eligibility of purchasers of membership shares of stock in the cooperative corporation or the initial and resale price of such shares, or both, so that the shares remain available and affordable to low-income families.

''(27) The term 'mutual housing association' means a private entity that—

''(A) is organized under State law;

''(B) is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

''(C) owns, manages, and continuously develops affordable housing by providing long-term housing for low- and moderate-income families;

''(D) provides that eligible families who purchase membership interests in the association shall have a right to residence in a dwelling unit in the housing during the period that they hold such membership interest; and

''(E) provides for the residents of such housing to participate in the ongoing management of the housing.''.

(c) ELIGIBILITY.—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended—

(1) in subsection (b), by adding after and below paragraph (4) the following:

''Housing that is owned by a limited equity cooperative or a mutual housing association may be considered by a participating jurisdiction to be housing for homeownership for purposes of this title to the extent that ownership or membership in such a cooperative or association, respectively, constitutes homeownership under State or local laws.''; and

(2) in subsection (a), by adding at the end the following new paragraph:

''(6) LIMITED EQUITY COOPERATIVES AND MUTUAL HOUSING ASSOCIATIONS.—Housing that is owned by a limited equity cooperative or a mutual housing association may be considered by a participating jurisdiction to be rental housing for purposes of this title to the extent that ownership or membership in such a cooperative or association, respectively, constitutes rental of a dwelling under State or local laws.''.

SEC. 403. LEVERAGING AFFORDABLE HOUSING INVESTMENT THROUGH LOCAL LOAN POOLS.

(a) ELIGIBLE INVESTMENTS.—Section 212(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(b)) is amended by inserting after ''interest subsidies'' the following: '', advances to provide reserves for loan pools or to provide partial loan guarantees,''.

(b) TIMELY INVESTMENT OF TRUST FUNDS.—Section 218(e) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748) is amended to read as follows:

''(e) INVESTMENT WITHIN 15 DAYS.——

''(1) IN GENERAL.—The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction's HOME Investment Trust Fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

''(2) LOAN POOLS.—In the case of a participating jurisdiction that withdraws Trust Fund amounts for investment in the form of an advance for reserves or partial loan guarantees under a program providing such credit enhancement for loans for affordable housing, the amounts shall be considered to be invested for purposes of paragraph (1) upon the completion of both of the following actions:

''(A) Control of the amounts is transferred to the program.

''(B) The jurisdiction and the entity operating the program enter into a written agreement that—

''(i) provides that such funds may be used only in connection with such program;

''(ii) defines the terms and conditions of the loan pool reserve or partial loan guarantees; and

''(iii) provides that such entity shall ensure that amounts from non-Federal sources have been contributed, or are committed for contribution, to the pool available for loans for affordable housing that will be backed by such reserves or loan guarantees in an amount equal to 10 times the amount invested from Trust Fund amounts.''.

(c) EXPIRATION OF RIGHT TO WITHDRAW FUNDS.—Section 218(g) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748(g)) is amended to read as follows:

''(g) EXPIRATION OF RIGHT TO DRAW FUNDS.—

''(1) IN GENERAL.—If any funds becoming available to a participating jurisdiction under this title are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction's HOME Investment Trust Fund, the jurisdiction's right to draw such funds from the HOME Investment Trust Fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction's HOME Investment Trust Fund by the expiring amount and shall reallocate the funds by formula in accordance with section 217(d).

''(2) LOAN POOLS.—In the case of a participating jurisdiction that withdraws Trust Fund amounts for investment in the manner provided under subsection (e)(2), the amounts shall be considered to be placed under binding commitment to affordable housing for purposes of paragraph (1) of this subsection at the time that the amounts are obligated for use under, and are subject to, a written agreement described in subsection (e)(2)(B).''.

(d) TREATMENT OF MIXED INCOME LOAN POOLS AS AFFORDABLE HOUSING.—

(1) IN GENERAL.—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended by adding at the end the following new subsection:

''(c) LOAN POOLS.—Notwithstanding subsections (a) and (b), housing financed using amounts invested as provided in section 218(e)(2) shall qualify as affordable housing only if the housing complies with the following requirements:

''(1) In the case of housing that is for homeownership—

''(A) of the units financed with amounts so invested—

''(i) not less than 75 percent are principal residences of owners whose families qualify as low-income families—

''(I) in the case of a contract to purchase existing housing, at the time of purchase;

''(II) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

''(III) in the case of a contract to purchase housing to be constructed, at the time the contract is signed;

''(ii) all are principal residences of owners whose families qualify as moderate-income families—

''(I) in the case of a contract to purchase existing housing, at the time of purchase;

''(II) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

''(III) in the case of a contract to purchase housing to be constructed, at the time the contract is signed; and

''(iii) all comply with paragraphs (3) and (4) of subsection (b), except that paragraph (3) shall be applied for purposes of this clause by substituting 'subsection (c)(2)(B)' and 'low- and moderate-income homebuyers' for 'paragraph (2)' and 'low-income homebuyers', respectively; and

''(B) units made available for purchase only by families who qualify as low-income families shall have an initial purchase price that complies with the requirements of subsection (b)(1).

''(2) In the case of housing that is for rental, the housing—

''(A) complies with subparagraphs (D) through (F) of subsection (a)(1);

''(B)(i) has not less than 75 percent of the units occupied by households that qualify as low-income families and is occupied only by households that qualify as moderate-income families; or

''(ii) temporarily fails to comply with clause (i) only because of increases in the incomes of existing tenants and actions satisfactory to the Secretary are being taken to ensure that all vacancies in the housing are being filled in accordance with clause (i) until such noncompliance is corrected; and

''(C) bears rents, in the case of units made available for occupancy only by households that qualify as low-income families, that comply with the requirements of subsection (a)(1)(A).

Paragraphs (4) and (5) of subsection (a) shall apply to housing that is subject to this subsection.''.

(2) DEFINITION.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), as amended by section 402 of this Act, is further amended by adding at the end the following new paragraph:

''(28) The term 'moderate income families' means families whose incomes do not exceed the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the median income for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.''.

SEC. 404. LOAN GUARANTEES.

Subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) is amended by adding at the end the following new section:

''SEC. 227. LOAN GUARANTEES.

''(a) AUTHORITY.—The Secretary may, upon such terms and conditions as the Secretary may prescribe, guarantee and make commitments to guarantee, only to such extent or in such amounts as provided in appropriations Acts, the notes or other obligations issued by eligible participating jurisdictions or by public agencies designated by and acting on behalf of eligible participating jurisdictions for purposes of financing (including credit enhancements and debt service reserves) the acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing (including real property acquisition, site improvement, conversion, and demolition), and other related expenses (including financing costs and relocation expenses of any displaced persons, families, businesses, or organizations). Housing funded under this section shall meet the requirements of this subtitle.

''(b) REQUIREMENTS.—Notes or other obligations guaranteed under this section shall be in such form and denominations, have such maturities, and be subject to such conditions as may be prescribed by the Secretary. The Secretary may not deny a guarantee under this section on the basis of the proposed repayment period for the note or other obligation, unless the period is more than 20 years or the Secretary determines that the period otherwise causes the guarantee to constitute an unacceptable financial risk.

''(c) LIMITATION ON TOTAL NOTES AND OBLIGATIONS.—The Secretary may not guarantee or make a commitment to guarantee any note or other obligation if the total outstanding notes or obligations guaranteed under this section on behalf of the participating jurisdiction issuing the note or obligation (excluding any amount defeased under a contract entered into under subsection (e)(1)) would thereby exceed an amount equal to 5 times the amount of the participating jurisdiction's latest allocation under section 217.

''(d) USE OF PROGRAM FUNDS.—Notwithstanding any other provision of this subtitle, funds allocated to the participating jurisdiction under this subtitle (including program income derived therefrom) are authorized for use in the payment of principal and interest due on the notes or other obligations guaranteed pursuant to this section and the payment of such servicing, underwriting, or other issuance or collection charges as may be specified by the Secretary.

''(e) SECURITY.—To assure the full repayment of notes or other obligations guaranteed under this section, and payment of the issuance or collection charges specified by the Secretary under subsection (d), and as a prior condition for receiving such guarantees, the Secretary shall require the participating jurisdiction (and its designated public agency issuer, if any) to—

''(1) enter into a contract, in a form acceptable to the Secretary, for repayment of such notes or other obligations and the other specified charges;

''(2) pledge as security for such repayment any allocation for which the participating jurisdiction may become eligible under this subtitle; and

''(3) furnish, at the discretion of the Secretary, such other security as may be deemed appropriate by the Secretary in making such guarantees, which may include increments in local tax receipts generated by the housing assisted under this section or disposition proceeds from the sale of land or housing.

''(f) REPAYMENT AUTHORITY.—The Secretary may, notwithstanding any other provision of this subtitle or any other Federal, State, or local law, apply allocations pledged pursuant to subsection (e) to any repayments due the United States as a result of such guarantees.

''(g) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the notes or other obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

''(h) TAX STATUS.—With respect to any obligation guaranteed pursuant to this section, the guarantee and the obligation shall be designed in a manner such that the interest paid on such obligation shall be included in gross income for purposes of the Internal Revenue Code of 1986.

''(i) MONITORING.—The Secretary shall monitor the use of guarantees under this section by eligible participating jurisdictions. If the Secretary finds that 50 percent of the aggregate guarantee authority for any fiscal year has been committed, the Secretary may impose limitations on the amount of guarantees any 1 participating jurisdiction may receive during that fiscal year.

''(j) GUARANTEE OF TRUST CERTIFICATES.—

''(1) AUTHORITY.—The Secretary may, upon such terms and conditions as the Secretary deems appropriate, guarantee the timely payment of the principal of and interest on

such trust certificates or other obligations as may—

''(A) be offered by the Secretary or by any other offeror approved for purposes of this subsection by the Secretary; and

''(B) be based on and backed by a trust or pool composed of notes or other obligations guaranteed or eligible for guarantee by the Secretary under this section.

''(2) FULL FAITH AND CREDIT.—To the same extent as provided in subsection (g), the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee by the Secretary under this subsection.

''(3) SUBROGATION.—In the event the Secretary pays a claim under a guarantee issued under this section, the Secretary shall be subrogated fully to the rights satisfied by such payment.

''(4) OTHER POWERS AND RIGHTS.—No State or local law, and no Federal law, shall preclude or limit the exercise by the Secretary of—

''(A) the power to contract with respect to public offerings and other sales of notes, trust certificates, and other obligations guaranteed under this section, upon such terms and conditions as the Secretary deems appropriate;

''(B) the right to enforce, by any means deemed appropriate by the Secretary, any such contract; and

''(C) the Secretary's ownership rights, as applicable, in notes, certificates or other obligations guaranteed under this section, or constituting the trust or pool against which trust certificates or other obligations guaranteed under this section are offered.

''(k) AGGREGATE LIMITATION.—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary under this section shall not at any time exceed $2,000,000,000.''.

TITLE V—LOCAL HOMEOWNERSHIP INITIATIVES

SEC. 501. REAUTHORIZATION OF NEIGHBORHOOD REINVESTMENT CORPORATION.

Section 608(a)(1) of the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8107(a)(1)) is amended by striking the first sentence and inserting the following: ''There are authorized to be appropriated to the corporation to carry out this title $90,000,000 for each of fiscal years 1999 through 2003. Of any amounts made available pursuant to this subsection for fiscal year 1999, $25,000,000 shall be for a pilot homeownership initiative, including an evaluation by an independent third party to determine its effectiveness.''.

SEC. 502. HOMEOWNERSHIP ZONES.

Section 186 of the Housing and Community Development Act of 1992 (42 U.S.C. 12898a) is amended to read as follows:

''SEC. 186. HOMEOWNERSHIP ZONE GRANTS.

''(a) AUTHORITY.—The Secretary of Housing and Urban Development may make grants to units of general local government to assist homeownership zones. Homeownership zones are contiguous, geographically defined areas, primarily residential in nature, in which large-scale development projects are designed to reclaim distressed neighborhoods by creating homeownership opportunities for low- and moderate-income families. Projects in homeownership zones are intended to serve as a catalyst for private investment, business creation, and neighborhood revitalization.

''(b) ELIGIBLE ACTIVITIES.—Amounts made available under this section may be used for projects that include any of the following activities in the homeownership zone:

''(1) Acquisition, construction, and rehabilitation of housing.

''(2) Site acquisition and preparation, including demolition, construction, reconstruction, or installation of public and other site improvements and utilities directly related to the homeownership zone.

''(3) Direct financial assistance to homebuyers.

''(4) Homeownership counseling.

''(5) Relocation assistance.

''(6) Marketing costs, including affirmative marketing activities.

''(7) Other project-related costs.

''(8) Reasonable administrative costs (up to 5 percent of the grant amount).

''(9) Other housing-related activities proposed by the applicant as essential to the success of the homeownership zone and approved by the Secretary.

''(c) APPLICATION.—To be eligible for a grant under this section, a unit of general local government shall submit an application for a homeownership zone grant in such form and in accordance with such procedures as the Secretary shall establish.

''(d) SELECTION CRITERIA.—The Secretary shall select applications for funding under this section through a national competition, using selection criteria established by the Secretary, which shall include—

''(1) the degree to which the proposed activities will result in the improvement of the economic, social, and physical aspects of the neighborhood and the lives of its residents through the creation of new homeownership opportunities;

''(2) the levels of distress in the homeownership zone as a whole, and in the immediate neighborhood of the project for which assistance is requested;

''(3) the financial soundness of the plan for financing homeownership zone activities;

''(4) the leveraging of other resources; and

''(5) the capacity to successfully carry out the plan.

''(e) GRANT APPROVAL AMOUNTS.—The Secretary may establish a maximum amount for any grant for any funding round under this section. A grant may not be made in an amount that exceeds the amount that the Secretary determines is necessary to fund the project for which the application is made.

''(f) PROGRAM REQUIREMENTS.—A homeownership zone proposal shall—

''(1) provide for a significant number of new homeownership opportunities that will make a visible improvement in an immediate neighborhood;

''(2) not be inconsistent with such planning and design principles as may be prescribed by the Secretary;

''(3) be designed to stimulate additional investment in that area;

''(4) provide for partnerships with persons or entities in the private and nonprofit sectors;

''(5) incorporate a comprehensive approach to revitalization of the neighborhood;

''(6) establish a detailed time-line for commencement and completion of construction activities; and

''(7) provide for affirmatively furthering fair housing.

''(g) INCOME TARGETING.—At least 51 percent of the homebuyers assisted with funds under this section shall have household incomes at or below 80 percent of median income for the area, as determined by the Secretary.

''(h) ENVIRONMENTAL REVIEW.—For purposes of environmental review, decision-making, and action pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under this section shall be treated as assistance under the HOME Investment Partnerships Act and shall be subject to the regulations issued by the Secretary to implement section 288 of such Act.

''(i) REVIEW, AUDIT, AND REPORTING.—The Secretary shall make such reviews and audits and establish such reporting requirements as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section. The Secretary may adjust, reduce, or withdraw amounts made available, or take other action as appropriate, in accordance with the Secretary's performance reviews and audits under this section.

''(j) AUTHORIZATION.—There are authorized to be appropriated to carry out this section $25,000,000 for fiscal year 1999 and such sums as may be necessary for fiscal year 2000, to remain available until expended.''.

SEC. 503. LEASE-TO-OWN.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that residential tenancies under lease-to-own provisions can facilitate homeownership by low- and moderate-income families and provide opportunities for homeownership for such families who might not otherwise be able to afford homeownership.

(b) REPORT.—Not later than the expiration of the 3-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress—

(1) analyzing whether lease-to-own provisions can be effectively incorporated within the HOME investment partnerships program, the public housing program, the tenant-based rental assistance program under section 8 of the United States Housing Act of 1937, or any other programs of the Department to facilitate homeownership by low- or moderate-income families; and

(2) any legislative or administrative changes necessary to alter or amend such programs to allow the use of lease-to-own options to provide homeownership opportunities.

SEC. 504. LOCAL CAPACITY BUILDING.

Section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note) is amended—

(1) in subsection (a), by inserting ''National Association of Housing Partnerships,'' after ''Humanity,''; and

(2) in subsection (e), by striking ''$25,000,000'' and all that follows and inserting '', for each fiscal year, such sums as may be necessary to carry out this section.''.

TITLE VI—MANUFACTURED HOUSING IMPROVEMENT

SEC. 601. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This title may be cited as the ''Manufactured Housing Improvement Act''.

(b) REFERENCES.—Whenever in this title an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).

SEC. 602. FINDINGS AND PURPOSES.

Section 602 (42 U.S.C. 5401) is amended to read as follows:

''FINDINGS AND PURPOSES

''SEC. 602. (a) FINDINGS.—The Congress finds that—

''(1) manufactured housing plays a vital role in meeting the housing needs of the Nation; and

''(2) manufactured homes provide a significant resource for affordable homeownership and rental housing accessible to all Americans.

''(b) PURPOSES.—The purposes of this title are—

''(1) to facilitate the acceptance of the quality, durability, safety, and affordability of manufactured housing within the Department of Housing and Urban Development;

''(2) to facilitate the availability of affordable manufactured homes and to increase homeownership for all Americans;

''(3) to provide for the establishment of practical, uniform, and, to the extent possible, performance-based Federal construction standards;

''(4) to encourage innovative and cost-effective construction techniques;

''(5) to protect owners of manufactured homes from unreasonable risk of personal injury and property damage;

''(6) to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes and related regulations for the enforcement of such standards;

''(7) to ensure uniform and effective enforcement of Federal construction and safety standards for manufactured homes; and

''(8) to ensure that the public interest in, and need for, affordable manufactured housing is duly considered in all determinations relating to the Federal standards and their enforcement.''.

SEC. 603. DEFINITIONS.

(a) IN GENERAL.—Section 603 (42 U.S.C. 5402) is amended—

(1) in paragraph (2), by striking ''dealer'' and inserting ''retailer'';

(2) in paragraph (12), by striking ''and'' at the end;

(3) in paragraph (13), by striking the period at the end and inserting a semicolon; and

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

''(14) 'administering organization' means the recognized, voluntary, private sector, consensus standards body with specific experience in developing model residential building codes and standards involving all disciplines regarding construction and safety that administers the consensus standards development process;

''(15) 'consensus committee' means the committee established under section 604(a)(3);

''(16) 'consensus standards development process' means the process by which additions, revisions, and interpretations to the Federal manufactured home construction and safety standards and enforcement regulations shall be developed and recommended to the Secretary by the consensus committee;

''(17) 'primary inspection agency' means a State agency or private organization that has been approved by the Secretary to act as a design approval primary inspection agency or a production inspection primary inspection agency, or both;

''(18) 'design approval primary inspection agency' means a State agency or private organization that has been approved by the Secretary to evaluate and either approve or disapprove manufactured home designs and quality control procedures;

''(19) 'production inspection primary inspection agency' means a State agency or private organization that has been approved by the Secretary to evaluate the ability of manufactured home manufacturing plants to comply with approved quality control procedures and with the Federal manufactured home construction and safety standards promulgated hereunder; and

''(20) 'monitoring'—

''(A) means the process of periodic review of the primary inspection agencies, by the Secretary or by a State agency under an approved State plan pursuant to section 623, in accordance with regulations recommended by the consensus committee and promulgated in accordance with section 604(b), which process shall be for the purpose of ensuring that the primary inspection agencies are discharging their duties under this title; and

''(B) may include the periodic inspection of retail locations for transit damage, label tampering, and retailer compliance with this title.''.

(b) CONFORMING AMENDMENTS.—The National Manufactured Housing Construction and Safety Standards Act of 1974 is amended—

(1) in section 613 (42 U.S.C. 5412), by striking ''dealer'' each place it appears and inserting ''retailer'';

(2) in section 614(f) (42 U.S.C. 5413(f)), by striking ''dealer'' each place it appears and inserting ''retailer'';

(3) in section 615 (42 U.S.C. 5414)—

(A) in subsection (b)(1), by striking ''dealer'' and inserting ''retailer'';

(B) in subsection (b)(3), by striking ''dealer or dealers'' and inserting ''retailer or retailers''; and

(C) in subsections (d) and (f), by striking ''dealers'' each place it appears and inserting ''retailers'';

(4) in section 616 (42 U.S.C. 5415), by striking ''dealer'' and inserting ''retailer''; and

(5) in section 623(c)(9), by striking ''dealers'' and inserting ''retailers''.

SEC. 604. FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS.

Section 604 (42 U.S.C. 5304) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) ESTABLISHMENT.—

''(1) AUTHORITY.—The Secretary shall establish, by order, appropriate Federal manufactured home construction and safety standards, each of which—

''(A) shall—

''(i) be reasonable and practical;

''(ii) meet high standards of protection consistent with the enumerated purposes of this title; and

''(iii) where appropriate, be performance-based and stated objectively; and

''(B) except as provided in subsection (b), shall be established in accordance with the consensus standards development process.

''(2) CONSENSUS STANDARDS AND REGULATORY DEVELOPMENT PROCESS.—

''(A) INITIAL AGREEMENT.—Not later than 180 days after the date of enactment of the Manufactured Housing Improvement Act, the Secretary shall enter into a contract with an administering organization. The contractual agreement shall—

''(i) terminate on the date on which a contract is entered into under subparagraph (B); and

''(ii) require the administering organization to—

''(I) appoint the initial members of the consensus committee under paragraph (3);

''(II) administer the consensus standards development process until the termination of that agreement; and

''(III) administer the consensus development and interpretation process for procedural and enforcement regulations and regulations specifying the permissible scope and conduct of monitoring until the termination of that agreement.

''(B) COMPETITIVELY PROCURED CONTRACT.—Upon the expiration of the 4-year period beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the Secretary shall, using competitive procedures (as such term is defined in section 4 of the Office of Federal Procurement Policy Act), enter into a competitively awarded contract with an administering organization. The administering organization shall administer the consensus process for the development and interpretation of the Federal standards, the procedural and enforcement regulations and regulations specifying the permissible scope and conduct of monitoring in accordance with this title.

''(C) PERFORMANCE REVIEW.—The Secretary—

''(i) shall periodically review the performance of the administering organization; and

''(ii) may replace the administering organization with another qualified technical or building code organization, pursuant to competitive procedures, if the Secretary determines in writing that the administering organization is not fulfilling the terms of the agreement or contract to which the administering organization is subject or upon the expiration of the agreement or contract.

''(3) CONSENSUS COMMITTEE.—

''(A) PURPOSE.—There is established a committee to be known as the 'consensus committee', which shall, in accordance with this title—

''(i) provide periodic recommendations to the Secretary to adopt, revise, and interpret the Federal manufactured housing construction and safety standards in accordance with this subsection;

''(ii) provide periodic recommendations to the Secretary to adopt, revise, and interpret the procedural and enforcement regulations, including regulations specifying the permissible scope and conduct of monitoring in accordance with this subsection; and

''(iii) be organized and carry out its business in a manner that guarantees a fair opportunity for the expression and consideration of various positions and for public participation.

''(B) MEMBERSHIP.—The consensus committee shall be composed of—

''(i) 25 voting members appointed, subject to approval by the Secretary, by the administering organization from among individuals who are qualified by background and experience to participate in the work of the consensus committee; and

''(ii) 1 member appointed by the Secretary to represent the Secretary on the consensus committee, who shall be a nonvoting member.

''(C) DISAPPROVAL.—The Secretary may disapprove, in writing with the reasons set forth, the appointment of an individual under subparagraph (B)(i).

''(D) SELECTION PROCEDURES AND REQUIREMENTS.—Each member shall be appointed in accordance with the selection procedures, which shall be established by the Secretary and which shall be based on the procedures for consensus committees promulgated by the American National Standards Institute (or successor organization), except that the American National Standards Institute interest categories shall be modified for purposes of this paragraph to ensure equal representation on the consensus committee of the following interest categories:

''(i) HOME PRODUCERS.—Five persons representing manufacturers of manufactured homes.

''(ii) OTHER BUSINESS INTERESTS.—Five persons representing other business interests involved in the manufactured housing industry such as retailers, installers, lenders, insurers, suppliers of products, and community owners. The business interests represented in this category shall not be owned or controlled by manufacturers represented under clause (i).

''(iii) CONSUMERS.—Five persons representing homeowners and consumer interests, such as consumer organizations, community organizations, recognized consumer leaders, and manufactured homeowners owners and occupants.

''(iv) PUBLIC OFFICIALS.—Five persons who are State or local officials such as building code enforcement or inspection officials, fire marshals, and including representatives of State administrative agencies.

''(v) GENERAL INTEREST.—Five persons representing the public such as architects, engineers, homebuilders, academicians, and developers.

''(E) ADDITIONAL QUALIFICATIONS.—An individual appointed under clause (iii), (iv), or (v) of subparagraph (D) shall not have—

''(i) a significant financial interest in any segment of the manufactured housing industry; or

''(ii) a significant relationship to any person engaged in the manufactured housing industry.

''(F) MEETINGS.—

''(i) NOTICE; OPEN TO PUBLIC.—The consensus committee shall provide advance notice of each meeting of the consensus committee to the Secretary and publish advance notice of each such meeting in the Federal Register. All meetings of the consensus committee shall be open to the public.

''(ii) REIMBURSEMENT.—Members of the consensus committee in attendance at the meetings shall be reimbursed for their actual expenses as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

''(G) INAPPLICABILITY OF OTHER LAWS.—

''(i) ADVISORY COMMITTEE ACT.—The consensus committee shall not be considered to be an advisory committee for purposes of the Federal Advisory Committee Act.

''(ii) TITLE 18.—The members of the consensus committee shall not be subject to section 203, 205, 207, or 208 of title 18, United States Code, to the extent of their proper participation as members of the consensus committee.

''(iii) ETHICS IN GOVERNMENT ACT OF 1978.—The Ethics in Government Act of 1978 shall not apply to members of the consensus committee to the extent of their proper participation as members of the consensus committee.

''(H) ADMINISTRATION.—The consensus committee and the administering organization shall—

''(i) operate in conformance with the procedures established by the American National Standards Institute for the development and coordination of American National Standards; and

''(ii) apply to the American National Standards Institute and take such other actions as may be necessary to obtain accreditation from the American National Standards Institute.

''(I) STAFF.—The administering organization shall, upon the request of the consensus committee, provide reasonable staff resources to the consensus committee. Upon a showing of need, the Secretary shall furnish technical support to any of the various interest categories on the consensus committee.

''(J) DATE OF INITIAL APPOINTMENTS.—The initial appointments of all of the members of the consensus committee shall be completed not later than 90 days after the date on which an administration agreement under paragraph (2)(A) is completed with the administering organization.

''(4) REVISIONS OF STANDARDS.—

''(A) IN GENERAL.—Beginning on the date on which all members of the consensus committee are appointed under paragraph (3), the consensus committee shall, not less than once during each 2-year period—

''(i) consider revisions to the Federal manufactured home construction and safety standards; and

''(ii) submit proposed revised standards and regulations to the Secretary in the form of a proposed rule, including an economic analysis.

''(B) PUBLICATION OF PROPOSED REVISED STANDARDS.—

''(i) PUBLICATION BY SECRETARY.—The consensus committee shall provide a proposed revised standard under subparagraph (A)(ii) to the Secretary who shall, not later than 30 days after receipt, publish such proposed revised standard in the Federal Register for notice and comment. Unless clause (ii) applies, the Secretary shall provide an opportunity for public comment on such proposed revised standard and any such comments shall be submitted directly to the consensus committee without delay.

''(ii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARDS.—If the Secretary rejects the proposed revised standard, the Secretary shall publish the rejected proposed revised standard in the Federal Register with the reasons for rejection and any recommended modifications set forth.

''(C) PRESENTATION OF PUBLIC COMMENTS; PUBLICATION OF RECOMMENDED REVISIONS.—

''(i) PRESENTATION.—Any public comments, views, and objections to a proposed revised standard published under subparagraph (B) shall be presented by the Secretary to the consensus committee upon their receipt and in the manner received, in accordance with procedures established by the American National Standards Institute.

''(ii) PUBLICATION BY THE SECRETARY.—The consensus committee shall provide to the Secretary any revisions proposed by the consensus committee, which the Secretary shall, not later than 7 calendar days after receipt, cause to be published in the Federal Register as a notice of the recommended revisions of the consensus committee to the standard, a notice of the submission of the recommended revisions to the Secretary, and a description of the circumstances under which the proposed revised standards could become effective.

''(iii) PUBLICATION OF REJECTED PROPOSED REVISED STANDARDS.—If the Secretary rejects the proposed revised standard, the Secretary shall publish the rejected proposed revised standard in the Federal Register with the reasons for rejection and any recommended modifications set forth.

''(5) REVIEW BY THE SECRETARY.—

''(A) IN GENERAL.—The Secretary shall either adopt, modify, or reject a standard, as submitted by the consensus committee under paragraph (4)(A).

''(B) TIMING.—Not later than 12 months after the date on which a standard is submitted to the Secretary by the consensus committee, the Secretary shall take action regarding such standard under subparagraph (C).

''(C) PROCEDURES.—If the Secretary—

''(i) adopts a standard recommended by the consensus committee, the Secretary shall—

''(I) issue a final order without further rulemaking; and

''(II) cause the final order to be published in the Federal Register;

''(ii) determines that any standard should be rejected, the Secretary shall—

''(I) reject the standard; and

''(II) cause to be published in the Federal Register a notice to that effect, together with the reason or reasons for rejecting the proposed standard; or

''(iii) determines that a standard recommended by the consensus committee should be modified, the Secretary shall—

''(I) cause the proposed modified standard to be published in the Federal Register, together with an explanation of the reason or reasons for the determination of the Secretary; and

''(II) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

''(D) FINAL ORDER.—Any final standard under this paragraph shall become effective pursuant to subsection (c).

''(6) FAILURE TO ACT.—If the Secretary fails to take final action under paragraph (5) and to publish notice of the action in the Federal Register before the expiration of the 12-month period beginning on the date on which the proposed standard is submitted to the Secretary under paragraph (4)(A)—

''(A) the recommendations of the consensus committee—

''(i) shall be considered to have been adopted by the Secretary; and

''(ii) shall take effect upon the expiration of the 180-day period that begins upon the conclusion of such 12-month period; and

''(B) not later than 10 days after the expiration of such 12-month period, the Secretary shall cause to be published in the Federal Register a notice of the failure of the Secretary to act, the revised standard, and the effective date of the revised standard, which notice shall be deemed to be an order of the Secretary approving the revised standards proposed by the consensus committee.

''(b) OTHER ORDERS.—

''(1) REGULATIONS.—The Secretary may issue procedural and enforcement regulations as necessary to implement the provisions of this title. The consensus committee may submit to the Secretary proposed procedural and enforcement regulations and recommendations for the revision of such regulations.

''(2) INTERPRETATIVE BULLETINS.—The Secretary may issue interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation. The consensus committee may submit to the Secretary proposed interpretative bulletins to clarify the meaning of any Federal manufactured home construction and safety standard or procedural and enforcement regulation.

''(3) REVIEW BY CONSENSUS COMMITTEE.—Before issuing a procedural or enforcement regulation or an interpretative bulletin—

''(A) the Secretary shall—

''(i) submit the proposed procedural or enforcement regulation or interpretative bulletin to the consensus committee; and

''(ii) provide the consensus committee with a period of 120 days to submit written comments to the Secretary on the proposed procedural or enforcement regulation or the interpretative bulletin; and

''(B) if the Secretary rejects any significant comment provided by the consensus committee under subparagraph (A), the Secretary shall provide a written explanation of the reasons for the rejection to the consensus committee; and

''(C) following compliance with subparagraphs (A) and (B), the Secretary shall—

''(i) cause the proposed regulation or interpretative bulletin and the consensus committee's written comments along with the Secretary's response thereto to be published in the Federal Register; and

''(ii) provide an opportunity for public comment in accordance with section 553 of title 5, United States Code.

''(4) REQUIRED ACTION.—The Secretary shall act on any proposed regulation or interpretative bulletin submitted by the consensus committee by approving or rejecting the proposal within 120 days from the date the proposal is received by the Secretary. The Secretary shall either—

''(A) approve the proposal and cause the proposed regulation or interpretative bulletin to be published for public comment in accordance with section 553 of title 5, United States Code; or

''(B) reject the proposed regulation or interpretative bulletin and—

''(i) provide a written explanation of the reasons for rejection to the consensus committee; and

''(ii) cause the proposed regulation and the written explanation for the rejection to be published in the Federal Register.

''(5) EMERGENCY ORDERS.—If the Secretary determines, in writing, that such action is necessary in order to respond to an emergency which jeopardizes the public health or safety, or to address an issue on which the Secretary determines that the consensus committee has not made a timely recommendation, following a request by the Secretary, the Secretary may issue an order that is not developed under the procedures set forth in subsection (a) or in this subsection, if the Secretary—

''(A) provides to the consensus committee a written description and sets forth the reasons why emergency actions is necessary and all supporting documentation; and

''(B) issues and publishes the order in the Federal Register.

''(6) CHANGES.—Any statement of policies, practices, or procedures relating to construction and safety standards, inspections, monitoring, or other enforcement activities which constitutes a statement of general or particular applicability and future offset and decisions to implement, interpret, or prescribe law of policy by the Secretary is subject to the provisions of subsection (a) or (b) of this subsection. Any change adopted in violation of the provisions of subsection (a) or (b) of this subsection is void.'';

''(7) TRANSITION.—Until the date that the consensus committee is appointed pursuant to section 704(a)(3), the Secretary may issue proposed orders that are not developed under the procedures set forth in this section for new and revised standards.

(2) in subsection (d), by adding at the end the following: ''Federal preemption under this subsection shall be broadly and liberally construed to ensure that disparate State or local requirements or standards do not affect the uniformity and comprehensiveness of the standards promulgated hereunder.

(3) by striking subsection (e);

(4) in subsection (f), by striking the matter preceding paragraph (1) and inserting the following:

''(e) CONSIDERATIONS IN ESTABLISHING AND INTERPRETING STANDARDS AND REGULATIONS.—The consensus committee, in recommending standards, regulations, and interpretations, and the Secretary, in establishing standards or regulations, or issuing interpretations under this section, shall—'';

(5) by striking subsection (g);

(6) in the first sentence of subsection (j), by striking ''subsection (f)'' and inserting ''subsection (e)''; and

(7) by redesignating subsections (h), (i), and (j), as subsections (f), (g), and (h), respectively.

SEC. 605. ABOLISHMENT OF NATIONAL MANUFACTURED HOME ADVISORY COUNCIL.

Section 605 (42 U.S.C. 5404) is hereby repealed.

SEC. 606. PUBLIC INFORMATION.

Section 607 (42 U.S.C. 5406) is amended—

(1) in subsection (a)—

(A) by inserting ''to the Secretary'' after ''submit''; and

(B) by adding at the end the following: ''The Secretary shall submit such cost and other information to the consensus committee for evaluation.'';

(2) in subsection (d), by inserting '', the consensus committee,'' after ''public''; and

(3) by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 607. RESEARCH, TESTING, DEVELOPMENT, AND TRAINING.

(a) IN GENERAL.—Section 608(a) (42 U.S.C. 5407(a)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

''(4) encouraging the government sponsored housing entities to actively develop and implement secondary market securitization programs for FHA manufactured home loans and those of other loan programs, as appropriate, thereby promoting the availability of affordable manufactured homes to increase homeownership for all people in the United States; and

''(5) reviewing the programs for FHA manufactured home loans and developing any changes to such programs to promote the affordability of manufactured homes, including changes in loan terms, amortization periods, regulations, and procedures.''.

(b) DEFINITIONS.—Section 608 (42 U.S.C. 5407) is amended by adding at the end the following new subsection:

''(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) GOVERNMENT SPONSORED HOUSING ENTITIES.—The term 'government sponsored housing entities' means the Government National Mortgage Association of the Department of Housing and Urban Development, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

''(2) FHA MANUFACTURED HOME LOANS.—The term 'FHA manufactured home loan' means a loan that—

''(A) is insured under title I of the National Housing Act and is made for the purpose of financing alterations, repairs, or improvements on or in connection with an existing manufactured home, the purchase of a manufactured home, the purchase of a manufactured home and a lot on which to place the home, or the purchase only of a lot on which to place a manufactured home; or

''(B) otherwise insured under the National Housing Act and made for or in connection with a manufactured home.''.

SEC. 608. FEES.

Section 620 (42 U.S.C. 5419) is amended to read as follows:

''AUTHORITY TO ESTABLISH FEES

''SEC. 620. (a) IN GENERAL.—In carrying out inspections under this title, in developing standards and regulations pursuant to section 604, and in facilitating the acceptance of the affordability and availability of manufactured housing within the Department, the Secretary may—

''(1) establish and collect from manufactured home manufacturers such reasonable fees as may be necessary to offset the expenses incurred by the Secretary in connection with carrying out the responsibilities of the Secretary under this title, including—

''(A) conducting inspections and monitoring;

''(B) providing funding to States for the administration and implementation of approved State plans under section 623, including reasonable funding for cooperative educational and training programs designed to facilitate uniform enforcement under this title; these funds may be paid directly to the States or may be paid or provided to any person or entity designated to receive and disburse such funds by cooperative agreements among participating States, provided that such person or entity is not otherwise an agent of the Secretary under this title;

''(C) providing the funding for a noncareer administrator and Federal staff personnel for the manufactured housing program;

''(D) administering the consensus committee as set forth in section 604; and

''(E) facilitating the acceptance of the quality, durability, safety, and affordability of manufactured housing within the Department; and

''(2) use any fees collected under paragraph (1) to pay expenses referred to in paragraph (1), which shall be exempt and separate from any limitations on the Department of Housing and Urban Development regarding full-time equivalent positions and travel.

''(b) When using fees under this section, the Secretary shall ensure that separate and independent contractors are retained to carry out monitoring and inspection work and any other work that may be delegated to a contractor under this title.

''(c) PROHIBITED USE.—Fees collected under subsection (a) shall not be used for any purpose or activity not specifically authorized by this title unless such activity was already engaged in by the Secretary prior to the date of enactment of this title.

''(d) MODIFICATION.—Any fee established by the Secretary under this section shall only be modified pursuant to rulemaking in accordance with section 553 of title 5, United States Code.

''(e) APPROPRIATION AND DEPOSIT OF FEES.—

''(1) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the 'Manufactured Housing Fees Trust Fund' for deposit of all fees collected pursuant to subsection (a). These fees shall be held in trust for use only as provided in this title.

''(2) APPROPRIATION.—Such fees shall be available for expenditure only to the extent approved in an annual appropriation Act.''.

SEC. 609. ELIMINATION OF ANNUAL REPORT REQUIREMENT.

The National Manufactured Housing Construction and Safety Standards Act of 1974 is amended—

(1) by striking section 626 (42 U.S.C. 5425); and

(2) by redesignating sections 627 and 628 (42 U.S.C. 5426, 5401 note) as sections 626 and 627, respectively.

SEC. 610. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of enactment of this Act, except that the amendments shall have no effect on any order or interpretive bulletin that is published as a proposed rule pursuant to section 553 of title 5, United States Code, on or before such date.

SEC. 611. SAVINGS PROVISION.

(a) STANDARDS AND REGULATIONS.—The Federal manufactured home construction and safety standards (as such term is defined in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974) and all regulations pertaining thereto in effect immediately before the date of the enactment of this Act shall apply until the effective date of a standard or regulation modifying or superseding the existing standard or regulation which is promulgated under subsection (a) or (b) of section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by this title.

(b) CONTRACTS.—Any contract awarded pursuant to a Request for Proposal issued before the date of enactment of this Act shall remain in effect for a period of 2 years from the date of enactment of this Act or for the remainder of the contract term, whichever period is shorter.

TITLE VII—INDIAN HOUSING HOMEOWNERSHIP

SEC. 701. INDIAN LANDS TITLE REPORT COMMISSION.

(a) ESTABLISHMENT.—Subject to sums being provided in advance in appropriations Acts, there is established a Commission to be known as the Indian Lands Title Report Commission (hereafter in this section referred to as the ''Commission'').

(b) MEMBERSHIP.—

(1) APPOINTMENT.—The Commission shall be composed of 12 members, appointed not later than 90 days after the date of the enactment of this Act as follows:

(A) 4 members shall be appointed by the President.

(B) 4 members shall be appointed by the Chairman of the Committee on Banking and Financial Services of the House of Representatives.

(C) 4 members shall be appointed by the Chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) QUALIFICATIONS.—

(A) MEMBERS OF TRIBES.—At all times, not less than 7 of the members of the Commission shall be members of federally recognized Indian tribes.

(B) EXPERIENCE IN LAND TITLE MATTERS.—All members of the Commission shall have experience in and knowledge of land title matters relating to Indian trust lands.

(3) CHAIRMAN.—The Chairman of the Commission shall be one of the members of the Commission appointed under paragraph (1)(C), as elected by the members of the Commission.

(4) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(5) TRAVEL EXPENSES.—Members of the Commission shall serve without pay, but each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) FUNCTIONS.—The Commission shall analyze the system of the Bureau of Indian Affairs of the Department of the Interior for maintaining land ownership records and title documents and issuing certified title status reports relating to Indian trust lands and, pursuant to such analysis, determine how best to improve or replace the system—

(1) to ensure prompt and accurate responses to requests for title status reports;

(2) to eliminate any backlog of requests for title status reports; and

(3) to ensure that the administration of the system will not in any way impair or restrict the ability of Native Americans to obtain conventional loans for purchase of residences located on Indian trust lands, including any actions necessary to ensure that the system will promptly be able to meet future demands for certified title status reports, taking into account the anticipated complexity and volume of such requests.

(d) REPORT.—Not later than the date of the termination of the Commission under subsection (g), the Commission shall submit a report to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the analysis and determinations made under subsection (c).

(e) POWERS.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(2) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(3) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish that information to the Commission.

(4) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(5) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section.

(6) STAFF.—The Commission may appoint personnel as it considers appropriate, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall pay such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(f) AUTHORIZATION OF APPROPRIATIONS.—To carry out this title, there is authorized to be appropriated $500,000. Such sums shall remain available until expended.

(g) TERMINATION.—The Commission shall terminate upon the expiration of the 1-year period beginning upon the completion of the appointment of all the members of the Commission under subsection (b)(1).

TITLE VIII—TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS

SEC. 801. TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.

Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a) is amended—

(1) by striking ''FLEXIBLE AUTHORITY'' and inserting ''DISPOSITION OF HUD-OWNED PROPERTIES. (a) FLEXIBLE AUTHORITY FOR MULTIFAMILY PROJECTS.—''; and

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

''(b) TRANSFER OF UNOCCUPIED AND SUBSTANDARD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.—

''(1) TRANSFER AUTHORITY.—Notwithstanding the authority under subsection (a) and the last sentence of section 204(g) of the National Housing Act (12 U.S.C. 1710(g)), the Secretary of Housing and Urban Development shall, to the maximum extent practicable (in the determination of the Secretary), transfer ownership of any qualified HUD property to a unit of general local government having jurisdiction for the area in which the property is located or to a community development corporation which operates within such a unit of general local government in accordance with this subsection, but only in the determination of the Secretary—

''(A) to the extent that units of general local government and community development corporations consent to transfer;

''(B) in the case of single family property, to the extent that costs to the Federal Government under this subsection do not exceed the costs to the Federal Government of disposing of similar property under the procedures for single family property under section 204 of the National Housing Act (12 U.S.C. 1710) (as added by sections 601 and 602 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999), or under such other procedures as are in effect immediately before the enactment of this title, as applicable; and

''(C) in the case of multifamily property, to the extent that costs to the Federal Government under this subsection do not exceed the costs to the Federal Government of disposing of similar property under the procedures for disposition of such properties as are in effect immediately before the enactment of this title.

''(2) QUALIFIED HUD PROPERTIES.—For purposes of this subsection, the term 'qualified HUD property' means any property that is owned by the Secretary and is—

''(A) an unoccupied multifamily housing project;

''(B) a substandard multifamily housing project; or

''(C) an unoccupied single family property that—

''(i) has been determined by the Secretary not to be an eligible property under section 204(h) of the National Housing Act (12 U.S.C. 1710(h)); or

''(ii) is an eligible property under such section 204(h), but—

''(I) is not subject to a specific sale agreement under such section; and

''(II) has been determined by the Secretary to be inappropriate for continued inclusion in the program under such section 204(h) pursuant to paragraph (10) of such section.

''(3) TIMING.—The Secretary shall establish procedures that provide for—

''(A) time deadlines for transfers under this subsection;

''(B) notification to units of general local government and community development corporations of qualified HUD properties in their jurisdictions;

''(C) such units and corporations to express interest in the transfer under this subsection of such properties;

''(D) a right of first refusal for transfer of qualified HUD properties to such units and corporations, under which that the Secretary shall accept an offer to purchase such a property made by such a unit or corporation during a period established by the Secretary, but in the case of an offer made by a community development corporation only if the offer provides for purchase on a cost recovery basis; and

''(E) a written explanation, to any unit of general local government or community development corporation making an offer to purchase a qualified HUD property under this subsection that is not accepted, of such offer was not acceptable.

''(4) OTHER DISPOSITION.—With respect to any qualified HUD property, if the Secretary does not receive an acceptable offer to purchase the property pursuant to the procedure established under paragraph (3), the Secretary shall dispose of the property to the unit of general local government in which property is located or to community development corporations located in such unit of general local government on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate.

''(5) SATISFACTION OF INDEBTEDNESS.—Before transferring ownership of any qualified HUD property pursuant to this subsection, the Secretary shall satisfy any indebtedness incurred in connection with the property to be transferred, by canceling the indebtedness.

''(6) DETERMINATION OF STATUS OF PROPERTIES.—To ensure compliance with the requirements of this subsection, the Secretary shall take the following actions:

''(A) UPON ENACTMENT.—Upon the enactment of the American Homeownership Act of 1998, the Secretary shall promptly assess each residential property owned by the Secretary to determine whether such property is a qualified HUD property.

''(B) UPON ACQUISITION.—Upon acquiring any residential property, the Secretary shall

promptly determine whether the property is a qualified HUD property.

''(C) UPDATES.—The Secretary shall periodically reassess the residential properties owned by the Secretary to determine whether any such properties have become qualified HUD properties.

''(7) TENANT LEASES.—This subsection shall not affect the terms or the enforceability of any contract or lease entered into with respect to any residential property before the date that such property becomes a qualified HUD property.

''(8) USE OF PROPERTY.—Property transferred under this subsection shall be used only for appropriate neighborhood revitalization efforts, including homeownership, rental units, commercial space, and parks, consistent with local zoning regulations, local building codes, and subdivision regulations and restrictions of record.

''(9) INAPPLICABILITY TO PROPERTIES MADE AVAILABLE FOR HOMELESS.—Notwithstanding any other provision of this subsection, this subsection shall not apply to any properties that the Secretary determines are to be made available for use by the homeless pursuant to subpart E of part 291 of title 24, Code of Federal Regulations, during the period that the properties are so available.

''(10) PROTECTION OF EXISTING CONTRACTS.—This subsection may not be construed to alter, affect, or annul any legally binding obligations entered into with respect to a qualified HUD property before the property becomes a qualified HUD property.

''(11) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

''(A) COMMUNITY DEVELOPMENT CORPORATION.—The term 'community development corporation' means a nonprofit organization whose primary purpose is to promote community development by providing housing opportunities for low-income families.

''(B) COST RECOVERY BASIS.—The term 'cost recovery basis' means, with respect to any sale of a residential property by the Secretary, that the purchase price paid by the purchaser is equal to or greater than or equal to the costs incurred by the Secretary in connection with such property during the period beginning on the date on which the Secretary acquires title to the property and ending on the date on which the sale is consummated.

''(C) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' has the meaning given the term in section 203 of the Housing and Community Development Amendments of 1978.

''(D) RESIDENTIAL PROPERTY.—The term 'residential property' means a property that is a multifamily housing project or a single family property.

''(E) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

''(F) SEVERE PHYSICAL PROBLEMS.—The term 'severe physical problems' means, with respect to a dwelling unit, that the unit—

''(i) lacks hot or cold piped water, a flush toilet, or both a bathtub and a shower in the unit, for the exclusive use of that unit;

''(ii) on not less than 3 separate occasions during the preceding winter months, was uncomfortably cold for a period of more than 6 consecutive hours due to a malfunction of the heating system for the unit;

''(iii) has no functioning electrical service, exposed wiring, any room in which there is not a functioning electrical outlet, or has experienced 3 or more blown fuses or tripped circuit breakers during the preceding 90-day period;

''(iv) is accessible through a public hallway in which there are no working light fixtures, loose or missing steps or railings, and no elevator; or

''(v) has severe maintenance problems, including water leaks involving the roof, windows, doors, basement, or pipes or plumbing fixtures, holes or open cracks in walls or ceilings, severe paint peeling or broken plaster, and signs of rodent infestation.

''(G) SINGLE FAMILY PROPERTY.—The term 'single family property' means a 1- to 4-family residence.

''(H) SUBSTANDARD.—The term 'substandard' means, with respect to a multifamily housing project, that 25 percent or more of the dwelling units in the project have severe physical problems.

''(I) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government' has the meaning given such term in section 102(a) of the Housing and Community Development Act of 1974.

''(J) UNOCCUPIED.—The term 'unoccupied' means, with respect to a residential property, that the unit of general local government having jurisdiction over the area in which the project is located has certified in writing that the property is not inhabited.

''(12) REGULATIONS.—

''(A) INTERIM.—Not later than 30 days after the date of the enactment of the American Homeownership Act of 1998, the Secretary shall issue such interim regulations as are necessary to carry out this subsection.

''(B) FINAL.—Not later than 60 days after the date of the enactment of the American Homeownership Act of 1998, the Secretary shall issue such final regulations as are necessary to carry out this subsection.''.

SEC. 802. AMENDMENT TO REVITALIZATION AREA DISPOSITION PROGRAM.

Effective immediately after the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, section 204(h) of the National Housing Act (12 U.S.C. 1710(h)) (as added by section 602(2) of such Act) is amended—

(1) by redesignating paragraph (10) as paragraph (11); and

(2) by inserting after paragraph (9) the following new paragraph:

''(10) PROPERTIES FOR WHICH NO INTEREST IS EXPRESSED.—Notwithstanding any other provision of this subsection, if the Secretary determines that continued inclusion of an eligible property in the program under this subsection is inappropriate because of a failure over time of any prospective purchasers to express interest in purchasing the property or in entering into a sale agreement covering properties in the area in which the property is located, the Secretary may determine that such property shall be subject to the provisions of section 204(b) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (12 U.S.C. 1715z–11a(b)).''.

SEC. 803. REPORT ON REVITALIZATION ZONES FOR HUD-OWNED SINGLE FAMILY PROPERTIES.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit a report to the Congress identifying—

(1) any areas that have been designated as revitalization areas pursuant to section 204(h)(3) of the National Housing Act (as added by section 602(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999);

(2) any areas for which such designation has been requested;

(3) any areas for which such designation is being considered by the Secretary; and

(4) the eligible properties in designated revitalization areas for which the Secretary has a reasonable expectation of successfully transferring ownership pursuant to section 204(h) of the National Housing Act.

SEC. 804. TECHNICAL CORRECTION TO INCOME TARGETING PROVISIONS FOR PROJECT-BASED ASSISTANCE.

Effective immediately after the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, section 16(c)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437n(c)(3)) (as added by section 513(a) of such Appropriations Act), is amended by inserting after ''40 percent'' the following: ''shall be available for leasing only by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.''.

SEC. 805. TECHNICAL CORRECTIONS TO THE MULTIFAMILY ASSISTED HOUSING REFORM AND AFFORDABILITY ACT OF 1997.

(a) SECTION 8 CONTRACT RENEWAL POLICY FOR FISCAL YEAR 1999 AND SUBSEQUENT YEARS.—Section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note; 111 Stat. 1408-1409) is amended—

(1) in subsection (a)(2), by inserting after ''Notwithstanding paragraph (1)'' the following: ''and subject to section 516 of this subtitle'';

(2) in subsection (a)(2)(B), by striking ''and financing'' and inserting ''and the primary financing'';and

(3) by inserting at the end the following new subsections:

''(b) INAPPLICABILITY TO PROJECTS SUBJECT TO RESTRUCTURING.—This section shall not apply to projects restructured under this subtitle.

''(c) SAVINGS PROVISIONS.—Upon the repeal of this subtitle pursuant to section 579, the provisions of sections 512(2) and 516 (as in effect immediately before such repeal) shall apply with respect to this section.''.

(b) REPEAL OF CONTRACT RENEWAL AUTHORITY UNDER SECTION 405(a).—Section 405(a) of the Balanced Budget Downpayment Act, I (42 U.S.C. 1437f note; 110 Stat.44-45), is hereby repealed.

(c) EXEMPTIONS FROM RESTRUCTURING.—Section 514(h)(1) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note; 111 Stat. 1396) is amended to read as follows:

''(1) the primary financing for the project was provided by a unit of State government or a unit of general local government (or an agency or instrumentality of either) and the primary financing involves mortgage insurance under the National Housing Act, such that implementation of a mortgage restructuring and rental assistance sufficiency plan under this Act would be in conflict with applicable law or agreements governing such financing;''.

(d) MANDATORY RENEWAL OF PROJECT-BASED ASSISTANCE.—Section 515(c)(1) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note; 111 Stat. 1397) is amended by inserting ''or'' after the semicolon at the end of subparagraph (B).

(e) PARTIAL PAYMENTS OF CLAIMS.—Section 541 of the National Housing Act (12 U.S.C. 1735f–19) is amended—

(1) by striking ''1978 or'' and inserting ''1978) or''; and

(2) by striking ''))'' and inserting ''))''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. LAZIO).

Mr. LAZIO of New York. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, I rise today in support of the American Home Ownership Act of 1998. Today the House of Representatives completes a triple crown in improving housing for America.

Our first victory for housing was this Congress' passage of legislation to help the homeless of America get off the streets and into warm, stable homes. Just last week the House and Senate overwhelmingly passed the second crown, the Quality Housing and Work Responsibility Act, a landmark bill which transforms public housing into dynamic neighborhoods where opportunity and hope abounds.

Mr. Speaker, we have helped the homeless. We have empowered public housing residents. Today we will grab that triple crown for American housing. We will give more Americans what they need to own their own homes. We say it is the American dream, owning your own home. All over America, families are working hard and saving their money to make this dream a reality.

For millions of Americans, the price of a home is still unaffordable. No matter how much some low income families work and save, quality affordable housing remains beyond their reach. Today, we can give those families the tools that they need to buy their first homes. We can expand homeownership opportunities by giving meaningful mortgage assistance, by removing the barriers to affordable housing, and by working together with the successful private sector. The American Homeownership Act will do all of these things.

This bill has support from both sides of the aisle, and I want to compliment the gentleman from Massachusetts (Mr. KENNEDY), and I want to say a few things later on about the gentleman.

The Subcommittee on Housing and Community Opportunity reported this bill out on a vote of 17 to nothing, and the administration supports this bill as well.

First let me go through the six central provisions of this legislation. First we will empower local housing authorities so that they can be more flexible and creative. Local authorities will be allowed to let their public housing residents apply their monthly public housing assistance toward buying their own home.

We also create a home loan guarantee program so that local communities can tap into future home grants by use for better long-term affordable housing development. We provide more homeownership opportunities by allowing local officials to create needed loan pools made up of both private and public funds.

This bill expands homeownership in a second vital way, by reducing the excessive regulations which drastically increase the cost of housing production. According to recent estimates, unnecessary governmental regulation adds 20 to 35 percent to the cost of a new home, placing it beyond the reach of many Americans. That is thousands of dollars being used for housing fees, money that could be instead used for housing improvement, education or savings.

We are going to reduce those unnecessary regulatory barriers by requiring that all Federal agencies include a housing impact analysis with any proposed regulation. I want to thank the gentleman from California for his work on this.

By doing this, local nonprofits and community development groups can offer less expensive alternatives and the home buyer will pay less for a new home.

Mr. Speaker, the manufactured housing industry has come a long way since this industry first began to fill a gap in our Nation's housing needs. Millions of Americans now live in this affordable alternative. In fact, one-third of new homeowners in Texas are manufactured housing owners, but because HUD has been unable to keep up with changing times, the manufactured housing industry operates under outdated and truly dangerous standards and codes. We must do something for the families living in manufactured housing whose personal safety and security is in imminent danger.

This brings me to the third provision of this bill, which is to modernize the way the manufactured housing industry is overseen. Ensuring national uniformed standards and codes for the construction of manufactured homes will make the families living there feel safe and comfortable while still keeping these homes affordable.

Mr. Speaker, modernizing oversight of the manufactured housing industry cannot wait any longer.

The fourth major provision of the American Homeownership Act will give underserved Americans a chance to own their own home. We will take homes which HUD has seized through foreclosure and transfer them to nonprofit housing organizations which are efficient and community minded, and I want to thank the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Missouri (Mr. TALENT).

These nonprofits will then be able to pass these homes on to low income families. This program will help many low income urban families realize their dream of having their own homes.

Briefly, Mr. Speaker, a fifth critical provision of this bill, we asked the GAO to do a study of the feasibility of requiring pre-purchase inspections of single family homes which have been financed with an FHA loan. We hear these nightmare stories of home buyers finding hidden problems only after they have signed the papers and put their savings into a home.

We hope that this study can help us decide whether mandatory inspections could protect home buyers, including those who are the most vulnerable.

A sixth provision of the American Homeownership Act will empower public/private housing partnerships. In our recently-passed public housing reform legislation, we extended the authority for Habitat for Humanity. Now we will encourage even more local capacity building by self-help housing organizations so that we may have even more organizations like Habitat for Humanity in our Nation's communities.

Let me close, Mr. Speaker, by saying this: The American Homeownership Act will be a critical tool in our efforts to empower more Americans, especially low income families, to buy their own homes. Homeownership is so valuable because it can positively uplift so many lives in our communities. Homeowners feel satisfied because they are taking care of their families. Homeowners feel financial and personal independence because they have a solid asset. Homeowners will take more care in improving the safety and upkeep of their neighborhoods because they have a stake in the area. Finally, homeowners will contribute to their communities since they have gained personal security for their families.

Let me say finally, if I can, to the gentleman from Massachusetts (Mr. KENNEDY), this may be the last opportunity I have on this floor to tell him what a pleasure it has been to work with him. I think this may be the last bill that we have been able to work with jointly. He has been certainly a credit to the State of Massachusetts, the Commonwealth of Massachusetts, his party and the House of Representatives, and I wish him well.

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

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

Mr. Speaker, I rise in strong support of H.R. 3899, the Lazio homeownership bill or whatever name he just came up with for this. I would have stuck with the original.

Before I talk about the merits of the bill, I want to express my deep appreciation for all the hard work the gentleman from Long Island, New York (Mr. LAZIO) has put into this bill.

Mr. Speaker, the gentleman from New York (Mr. LAZIO) and I do not agree on a lot of policy issues that come before this chamber but one thing we do agree on is the importance of homeownership to the American people. Those who seek to climb the ladder of the American dream have a real champion in the gentleman from New York (Mr. LAZIO), who believes passionately, as I do, in the role of homeownership in lifting working families toward some pleasure of prosperity and security.

I want to return the compliment that the gentleman from New York (Mr. LAZIO) gave and say what a pleasure it has been to work with him over the course of these last several years.

I also want to take a brief moment to express my appreciation and support to the ranking democrat on the Committee on Banking and Financial Services,

the gentleman from New York (Mr. LAFALCE), who has done yeomen's work not just on banking and securities and insurance issues but on housing issues as well, and his leadership even on this bill was critical to being able to see the legislation come before the House floor this morning with the bipartisan support that it has.

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I also want to thank the gentleman from Minnesota (Mr. VENTO), who has been such a stalwart supporter of the FHA program and making certain that the FHA program survives and is around and is in healthy shape as we enter the 21st century.

This bill also should receive great credit because of the very hard work of the gentleman from Indiana (Mr. ROEMER). There is not anybody in this Chamber who has worked harder to make sure that the manufactured housing industry's concerns about the lack of adjustments by HUD on new rules and regulations that are critically necessary for the industry to move forward, there is not anyone who has done a better job of bringing those issues forward than the gentleman from Indiana (Mr. ROEMER). He has done it, despite very, very great odds at certain points throughout the last year or so. I hope people understand what a tremendous job he has done on this legislation.

Mr. Speaker, I support this bill. It is a bipartisan measure to make the dream of homeownership more real for millions of Americans looking for a way to provide for their families and their futures. The bill authorizes HUD's Home Bank to allow communities to borrow funds against the future home receipts to create affordable housing.

It authorizes HUD's Homeownership Zone Proposal for fiscal 1999, creating affordable home opportunities in distressed neighborhoods. The bill provides more funding for the Single-family Home Rehabilitation Demonstration Program, an innovative strategy to help nonprofits and local governments leverage private sector rehab loans to expand homeownership opportunities.

It also expands the FHA low down payment single-family opportunities by increasing the FHA loan limit in counties around urban centers and increasing the availability of adjustable rate mortgages.

Mr. Speaker, we have seen in Boston the key to the renaissance of older neighborhoods is homeownership. Residents who own a piece of the block care more deeply about their neighborhoods and are more likely to vote, are more likely to organize block watches and demand an equitable share of city services.

The bill takes important steps towards achieving those goals. At the same time, we have seen included in this legislation updates to the manufactured housing standards in ways that manage both industry and consumer concerns. The most important provision negotiated over the last few days gives HUD the ultimate authority over this process. We have also taken care of potential problems in the property disposition and barriers section of the bill.

Mr. Speaker, the bill builds on the tremendous record this administration has compiled in promoting homeownership opportunities. Under President Clinton's leadership, our national homeownership rate has hit a record level of over 67 percent. Some 6 million more American families now own homes than when President Clinton took office.

Mr. Speaker, we ought to give credit to the President as well as his HUD Secretary, Andrew Cuomo, for these gains. But we also have to recognize our role in stimulating the growth of homeownership. And I just want to again say that I believe that Secretary Cuomo's leadership in reviving FHA and giving people around the country the sense that HUD is moving forward into the future with new management techniques, downsizing considerably and just using those resources towards providing homeownership, is a demonstration of the key leadership role he has played. This bill provides for young families even greater opportunities and we ought to pass it.

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

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Banking and Financial Services. Without his work and leadership, we would not be at this point today on any of these housing initiatives.

Mr. LEACH. Mr. Speaker, I thank the gentleman from New York (Mr. LAZIO) for yielding me this time.

Mr. Speaker, today we have an opportunity to redemonstrate our commitment to giving every American the opportunity to own their own home. The American Homeownership Act, fashioned by the able chairman of the Subcommittee on Housing and Community Opportunity, the gentleman from New York (Mr. LAZIO), facilitates homeownership for all Americans, including families that would not otherwise be able to afford homes, by removing barriers to affordable housing, improving FHA mortgage insurance, reauthorizing the home investment partnership program, and increasing local homeownership initiatives as well as improving manufactured housing. I would like to comment on two specific aspects of the bill.

First, at the State and local level, the creation of the Homeownership Investment Partnership program will leverage affordable housing through local loan pools and the Home Loan Guarantee program. In addition, the bill authorizes Homeownership Zone Grants to serve as a catalyst for private investment.

Second, the bill helps to eliminate excessive regulations that can add thousands of dollars to the cost of a new home. All Federal agencies were required to include a housing impact analysis with any proposed regulations in order to detect any significant negative impact on the availability of affordable housing.

Homeownership is a fundamental aspect of the American dream. It is advanced in many ways, from lower interest rates made possible by a restrained monetary policy, to more constrained budgets, to direct infusions of governmental assistance, to less costly regulation. This bill is modest, but it is part and parcel of a comprehensive commitment of this Congress to increase homeownership in America.

In this context, I urge its approval and would particularly like to thank the gentleman from New York (Mr. LAFALCE), ranking member of the full committee, and the gentleman from Massachusetts (Mr. KENNEDY), ranking member of the subcommittee.

Finally, in this regard I would like to pay particular tribute to the gentleman from Massachusetts (Mr. KENNEDY), who is retiring, for his many contributions to the country through his work in the Committee on Banking and Financial Services and for being such a strong advocate of consumers and the disadvantaged in our society. His leadership will be missed.

Mr. Speaker, today we have an opportunity to redemonstrate our commitment to giving every American the opportunity to own their own home. The "American Homeownership Act of 1998," fashioned by the able Chairman of the Subcommittee on Housing and Community Opportunity, Mr. LAZIO, facilitates homeownership for all Americans, including families that would not otherwise be able to afford homes by removing barriers to affordable housing, improving FHA mortgage insurance, reauthorizing the HOME Investment Partnership Program, increasing local homeownership initiatives and improving manufactured housing.

I'd like to comment on two specific aspects of this bill.

First, at the state and local level, the creation of the HOME investment partnership program will leverage affordable housing through local loan pools and a HOME loan guarantee program. In addition, the bill authorizes homeownership zone grants to serve as a catalyst for private investment, business creation, and neighborhood revitalization.

Second, the bill helps to eliminate excessive regulations that add thousands of dollars to the cost of a new home. All Federal agencies will be required to include a housing impact analysis with any proposed regulations in order to detect any significant negative impact on the availability of affordable housing.

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In this context I urge approval of H.R. 3899 and again want to thank Mr. LAZIO for his hard work on this and other housing legislation this session, as well as note the contributions of the ranking minority Member of the Committee, Mr. LAFALCE and the Housing Subcommittee, Mr. KENNEDY, for their roles in making this such a historic session in terms of housing and community development.

Finally, I'd like to join my colleagues in paying tribute to Mr. KENNEDY, who is retiring after this session, for his many contributions to this country through his work on the Banking Committee, where he has been such a committed spokesman for consumers and the disadvantaged in our society. His leadership will be missed.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. LAFALCE), the ranking member of the committee.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, I too would like to congratulate the gentleman from New York (Mr. LAZIO), chairman of the subcommittee, and the distinguished gentleman from Massachusetts (Mr. KENNEDY), ranking member, for the fine work they have done on the American Homeownership Act of 1998.

There were eight titles within the bill. On six of the titles, I had no qualms whatsoever because of the cooperative relationship we have had in working those difficulties out. I did have reservations, though, as of last Friday, on two of the titles, one dealing with manufactured housing and one dealing with the Talent-Watts bill.

I also have some qualms about the fact that we are bypassing the committee process, going from subcommittee to the floor, bypassing the full ranking committee. However, since it is the end of the session and since the bill does so many very good things, I did not think it totally inappropriate for us to use this short circuit process, so long as some difficulties I had with those two titles could be accommodated.

Mr. Speaker, I am pleased that over a weekend-long process, we were able to accommodate it. With respect to Talent-Watts, I thought there were some inconsistencies between the approach that was taken in the VA-HUD bill and the approach that is taken in the Talent-Watts bill. However, we have been able to include language saying that the Secretary of HUD has the power not to implement it if it would increase costs to the FHA Mutual Mortgage Insurance Fund, and that has adequately satisfied my concerns enough to go forward.

With respect to the Manufactured Housing Institute section, we have a difficulty here. We must proceed much more expeditiously in the future than we have in the past, both in articulating and promulgating standards and enforcing those standards, and we have not proceeded quickly enough. By the same token, I was not too pleased with the composition of the consensus committee nor with the right of the consensus committee on its own to publish its recommendations in the Federal Register.

We have, therefore, negotiated an amendment that makes it clear that it is the prerogative of the Secretary to publish those and he has the right also in publishing them to, at the same time, simultaneously put down each and every reservation or qualm he might have with those consensus committee recommendations.

Though I do think there are other provisions that still need to be worked on before we can enact this into law, finally, I do think that we have come very, very far on a very good bill, enough to go forward and send this on to the Senate.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER), a member of the Committee on Banking and Financial Services.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I rise in strong support of this legislation. I want to thank our distinguished colleagues, the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY), the chairman and ranking member of the subcommittee, for their great work, as well as that of the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE).

Mr. Speaker, there are four specific provisions among many others that I want to commend to my colleagues. First of all, this act has a provision which applies a common median one-family housing price to the entire metropolitan statistical area (MSA) together with the counties contiguous or proximate to such SMA which is equal to the median price in the county within the area that has the highest such median price. This will cause a very positive change in the non-metropolitan areas' housing programs in those counties adjacent to those metropolitan areas as well as all areas within the MSA.

Number two, I am pleased about the Manufactured Housing Improvement Act provisions which establish a consensus committee of consumers, industry experts, and government officials to advise the Department of Housing and Urban Development on safety standards and regulations in the enforcement of manufactured homes.

Three, there is a provision which also creates the Indian Lands Title Report Commission to improve the procedures of the Bureau of Indian Affairs and the way they conduct title reviews in connection with the sale of Indian lands, expecially as it relates to home mortgages. This Member has a special interest in making sure this works because of the Section 504 Native American Loan Guarantee Program, and I think those changes will help solve a current bureaucratic problem that is delaying the implementation of the Section 504 program in the home areas of our country.

Fourth and finally, I want to thank the distinguished gentleman from Massachusetts (Mr. KENNEDY) for his role in working with me in establishing some grant approval of selection standards with respect to the Rehabilitation Demonstration Grant program, which is his initiative. I think that the criteria we developed together will ensure a more equitable use of these funds across the whole country with these appropriate standards, and I thank him for his effort to work with me on this language.

In closing, Mr. Speaker, I think this is an excellent bill. It needs to become law, with its many important provisions. I urge support.

Mr. KENNEDY of Massachusetts. I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

(Mr. VENTO asked and was given permission to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, I rise in somewhat qualified support. I know that some provisions in this have received a lot of work. I think it is obvious when we are not going regular order, it makes it very difficult to, in fact, try to digest all of the aspects of a measure like this. I think there have been hearings on this, but we have not moved this through the regular procedure. It is not unusual at the end of a session, in fact, Mr. Speaker, to move on measures that have passed the House and Senate and are the product of work between them. I guess we are sending it to the Senate with the hope that they will accept it, this product hasn't passed either Chamber.

There are some provisions in this bill that are very important, like the reauthorization and the Neighborhood Reinvestment Corporation, the Home Investment Partnership block grant, the HOME funds and other reauthorizations of known programs. So, I think that many of us that support housing have a lively interest in this bill.

I remain concerned about the feasibility, of other provisions in this bill, and it is my understanding that there have been some qualifications put in with regard to drawing on various types of FHA funding programs. It was not too many years ago, Mr. Speaker, that there was a lot of concern and there were alarm bells going off with various reports from the Price Waterhouse accounting firm concerning the status of the FHA funds. I know, as a defender of the FHA program at that time, that that criticism had a pretty sharp edge, and I think we have to be cognizant today of that History as we begin to spread those dollars out from within the fund and the reserve to make certain that it does fulfill the mission of insurance that it is intended to provide in terms of low down payment FHA program.

There are also some concerns with this bill because many of the provisions that are dealt with in this bill,

especially those dealing with manufactured housing, had raised opposition from some of the powerful groups that had long been involved with the issues of manufactured housing and have often stood up and spoken out for the consumer. And at this time, because of the last-minute agreement with regards such provisions these advocates have not had the opportunity to review those provisions. I hope, obviously, when they have that opportunity, they will recognize that while they certainly did not get everything they wanted, there is a balance that was struck, here that is workable and will safeguard and ensure the goals that we all share, and that is to make manufactured housing a bigger and better part of meeting homeownership opportunities into the future.

But as we look at those that live in manufactured housing, a lot of them are the elderly, a lot are low-income families, so we want to make certain that they get the value that is intended in terms of purchasing or making a decision with regard to manufactured housing ownership.

Mr. Speaker, I rise in qualified support for H.R. 3899. As a Member with long service on the Banking Committee and the Housing Subcommittee, I am, of course, highly supportive of efforts to increase home ownership opportunities. The Federal government needs to be a strong partner by developing and maintaining viable programs that meet market place tests and that also serve real consumer and community needs. That is why I am a strong supporter of FHA mortgage insurance, pre- and post-purchase home ownership counseling, the secondary market entities, Freddie Mac and Fannie Mae, Mortgage Revenue Bonds, and of course, the Mortgage Interest Deduction.

Included in this bill are the reauthorizations other housing programs like Neighborhood Housing Services at the Neighborhood Reinvestment Corporation, and the Home Investment Partnership Block Grant. I worked on restructuring and modernizing Neighborhood Reinvestment several years back with my then Colleague, Chalmers Wylie. Twin Cities Neighborhood Housing Services are among the most effective organizations in the St. Paul-Minneapolis area. They are the embodiment of using resources and partnerships to increase homeownership and to weave together neighborhood and communities for our futures.

So there are some important basis to support this bill today. One of those reasons should be because the regulation of safety and other marketplace changes of manufactured housing has become out-dated. The process needs to improved. I have worked with some of my other colleagues in the past on trying to get more staffing at HUD to accomplish that objective along with other recommendations of the Manufactured Housing Commission set up by law several years back. We have been close to solving this public policy dilemma, but close only counts in horse shoe and hand grenades. This bill attempts to insure that the fees will go to help with the staffing expenses.

I remain concerned, however, especially at this time of year, it is important to have as much consensus as possible on policy changes that are being sought. In this instance, some changes sought to help update the manufactured housing code remain an uneasy agreement finalized within the last hours, consequently groups representing consumers: the AARP and the Consumer's Union haven't had the opportunity to review such modifications. AARP reminds us in a letter, over two million persons aged 65 and over live in manufacture homes. Over a third of the purchasers of manufactured housing are age 50 and older. Additionally, as a long-time participant in the manufactured housing arena, their views and position should be given weight and consideration, but given the time frame and changes they and we are handicapped in evaluating this final product.

Not going regular order has also left these key players, and likely the States who have a role in the regulation and enforcement of manufactured housing standards in the dark as to what changes are still being made, with little opportunity to voice concerns about proposals and how the policy path being forged with affect them. Some of their issues, such as the important warranty initiative, have been left by the wayside. That is an unfortunate way to make important public policy that could affect millions of consumers around this country.

While there have been some modifications made, up until today, they are limited and strained in addressing the concerns regarding the composition of the consensus committee and the proper role of the Secretary and the Department of Housing and Urban Development in setting regulations for safety and for enforcement of those standards. However, the new changes to allow a 30 day period by HUD to review, and then publish, alter, or not publish proposed regulations with explanation for any changes is a step in the right direction. I was concerned that this bill would tip the appropriate balance between the private and public sectors and ultimately tie the hands of this or a future Secretary of HUD, even as it turned the federal regulatory process on its head in an unprecedented manner. This change was crucial to gaining my support for this bill, despite my strong reservations about the process.

As a supporter of manufactured housing, I do regret that we are in this forced position here today with this bill. As this bill will pass, I only hope we can work this out going forward so that we will indeed achieve a ''win win'' for all—the industry, consumers and the regulators—for more modernized manufactured housing federal standards that are affordable and safe for consumers and home purchase—the most important transaction most families ever make.

Further, I understand that although the Administration supports the objective of H.R. 3899, the official Statement of Administration Policy indicates that the Administration has several remaining concerns about this bill, including the transfer of ownership of certain FHA multi- and single-family properties to community development corporations or units of local government, raising the ARM cap to 40% (with an increased premium for mortgages over 30%), adding specialized analytical requirements to the Federal rule making process, allowing PHAs to capitalize Section 8 subsidies for down-payment assistance without requirements that families otherwise qualify for a mortgage or if may families subsequently default, relaxing the income targeting requirements of the HOME program, and authorizing a new HOME loan guarantee program that is inconsistent with existing Federal credit program standards. I do indeed hope that we can continue to work to prefect this legislation, if not in this session then as soon as the 106th Congress convenes in a regular order process and trust that some differences are attributed to the lack of regular order that too often prevails at the end of the session

Finally, there are many provisions in the bill, but I want to commend Secretary Cuomo, the Members of Congress, the gentleman from New York (Chairman LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY), ranking member, especially, who will be regrettably completing his service in the House this year. The gentleman from Massachusetts has been a catalyst for change, a voice of the disenfranchised in this society for all the years he has served. I wish him well. He has served us well, and the people of this Nation.

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Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. CAMPBELL), who is responsible for large sections of this bill. I want to thank him publicly for his work on this.

Mr. CAMPBELL. Mr. Speaker, no one deserves credit more than the gentleman from New York (Mr. LAZIO), chairman of our subcommittee, not only because he knows this field so well and his heart is so strongly in the right place, but also because of his tenacity. We would not be here today except for him. He deserves the credit.

I do want to draw attention to the part of the bill that deals with lowering barriers that are created by government. This is an unusual topic because those of us who serve in government try to think we are doing the right thing, with clean heart and pure motives. Sometimes, however, we add to

the cost of affordable housing so much by what we do that the housing is no longer affordable. That is true at the State and local level and true at the Federal level.

At the Federal level we can do a little bit more, and what this bill does is to provide that whenever a Federal decision is made, such as the closing of a military base or siting an interstate or helping to build an airport, the federal agency involved must bear in mind that there is going to be an effect on affordable housing. And if somebody can propose a way of accomplishing the legitimate Federal goal with less deleterious effect on affordable housing, then the federal agency is obliged to consider that alternative and adopt it. That is in this bill, and I think it is an improvement in the Federal regulatory system, benefiting public housing.

We cannot and should not, directly affect the State and local governments, but we, in the Federal Government, can and do set aside $15 million, not by an increase in taxes to pay for it but from funds already in the law, for those State and local units of government that undertake steps to make their barriers less.

A classic example here is a State that will impose a fee on home building on the basis of the children that a new housing development will put into the school system. A state ought to make that fee less, if it is affordable housing, and make it higher, if it is a higher priced house. I think that is a fair approach that would accomplish both objectives of education and affordable housing.

We cannot mandate that, but we can reward those States that undertake a system like that on their own. And we do that in this bill. I am proud to support this bill. I want to repeat thanks to my good friend the gentleman from New York (Mr. LAZIO), but for whom we would not have this bill, or its title I, in which I have invested so much of my time.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 3 minutes and 30 seconds to the gentleman from Indiana (Mr. ROEMER), who has done such a great job on bringing this bill forward.

Mr. ROEMER. Mr. Speaker, I want to thank the gentleman from New York (Mr. LAZIO) for his tenacity in getting a bill. I want to thank my good friends the gentleman from Minnesota (Mr. VENTO) and the gentleman from New York (Mr. LAFALCE) for their support in getting more people into more affordable homes, and I want to especially point out my thanks and gratitude for a member who has decided to go back home, the gentleman from Massachusetts (Mr. JOE KENNEDY), a friend of mine, somebody who has been very gracious to me in my service here in the House, somebody whose dad was a hero to me and whose dad once said, when one of us prospers, all of us prosper. When one of us falters, so do we all. I think his dad is very proud of JOE KENNEDY standing up for the homeless and the voiceless throughout his career in the House of Representatives.

Mr. Speaker, I rise today in support of this bill, H.R. 3899, which has one goal in mind, to put the dream of homeownership within the reach of more Americans. Study after study has shown that homeownership strengthens the family unit and contributes greatly to the stability of our society. H.R. 3899 will alleviate problems in part by helping more people get mortgages through government programs. However, the real key to this legislation is the commitment it makes to bolster the manufactured housing industry and increase the supply of this vital source to affordable housing.

Manufactured housing is already one of the fastest growing sources of housing in America. The industry provides nearly one-third of the single family homes sold each year in America. With an average cost of about $40,000, manufactured homes provide a real opportunity for first-time home buyers, young families and senior citizens to realize the American dream of owning a home.

There was a time when manufactured housing consisted primarily of trailers and mobile homes. Mr. Speaker, those days are gone.

With the development of new technology and safety innovations, the manufactured housing industry today produces top quality homes which are comparable in every respect as site-built homes. Unfortunately, Mr. Speaker, and the reason we are here, is the Federal rules governing the manufactured housing industry have not kept pace with this technology. Indeed, the industry is operating under rules that were put forward in 1974. Let us bring those rules forward with some badly needed common sense and fairness to the HUD code.

I have participated in many of these talks to bring this bill forward. I want to personally thank Secretary Cuomo, who has worked so assiduously on this bill, and Bill Apgar for their personal involvement and commitment to the drafting of this bill.

This bill will create a consensus committee to work with HUD to help improve the management of the Federal manufactured housing program. This bill also seeks to encourage uniform and effective enforcement of Federal construction and safety standards for manufactured homes, while reserving the regulation of installation standards and enforcement to the States.

Mr. Speaker, I have a large manufactured housing industry in my district, and I know that is true throughout the United States. Support this good bill to provide more housing opportunities for more Americans.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. CALVERT), cochairman of the Manufactured Housing Caucus.

Mr. CALVERT. Mr. Speaker, I rise in strong support of the American Homeownership Act, and I yield to the gentleman from Indiana (Mr. MCINTOSH).

Mr. MCINTOSH. Mr. Speaker, let me first say thanks to the chairman for this. This bill is excellent. The chairman deserves a lot of commendation for bringing it to the floor, especially with regard to manufactured housing.

Let me ask two questions: Does the preemption language in this bill change or alter in any way any existing duty or responsibility of the manufacturer with respect to the installation of the home?

Mr. LAZIO of New York. Mr. Speaker, will the gentleman yield?

Mr. CALVERT. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Speaker, no, this does not change any aspect of installation.

Mr. MCINTOSH. Mr. Speaker, if the gentleman will continue to yield, and as I understand it, the law today, under the law today the manufacturer's responsibility with respect to the installation of the home is determined by State law?

Mr. LAZIO of New York. Yes, that is correct. It will continue to be the case under the provisions of this law.

Mr. MCINTOSH. Mr. Speaker, I strongly support this legislation.

Mr. CALVERT. Mr. Speaker, let me first thank the gentleman from New York (Mr. LAZIO), the subcommittee chairman, for his hard work on this bill. As cochairman of the House Manufactured Housing Caucus, I can assure you of his dedication to improving our Nation's housing supply and giving all Americans the chance to own a home.

Mr. Speaker, two of our Nation's largest social problems are the need for greater access to affordable homes and the need to move people away from the dependency on subsidized housing. Manufactured housing, the fastest growing segment of the housing industry, helps solve these problems. The affordability of these homes allows senior citizens, young families and single parents to realize the American dream of homeownership.

Congress must help people reach this goal by considering the positive impact of manufactured homes when making housing policy. By improving the quality, safety and affordability of these homes, the American Homeownership Act does just this.

A yes vote on this bill is a yes vote for seniors, single parents, and young home buyers who want a place to call their own. It is a vote for the American dream. I urge a yes vote.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, I also wanted to compliment the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY) for bringing this bill and

their leadership. I also want to say our appreciation on behalf of all those who care about housing, care about the poor and for his leadership and his service not only to Congress but to this Nation.

Mr. Speaker, I rise in support of H.R. 3899, the American Homeownership Act. Although I know there are provisions that every item in there is not picture perfect, but nevertheless this is indeed a big step in the right direction if we want to make sure that the American people have the opportunity for the American dream, to afford a home of their own.

There are many hard working citizens whose income does not stretch far enough to fulfill the dream of homeownership. Despite their efforts, their dreams and hopes are shattered. They work as hard as other citizens but the cost of homeownership is out of reach. Therefore, H.R. 3899 will begin the process of restoring hope to those in our society who are not looking for a free ride but are hoping for freedom of choice so they may live and have the opportunity to afford a decent place.

Passage of this bill will be a demonstration that hard work is not in vain. It also is important to recognize that the American Homeownership Act will have a positive impact on future generations of working families. Millions of children are witnesses to the hard work performed by their parents. Many of these children are living in substandard apartments or houses because their working parents have been denied an opportunity to own the home that they would hope to have to live in and to raise their families.

Therefore, H.R. 3899 provides many opportunities, many provisions that speak to that, not only in terms of the mobile homes or what we called manufactured housing. In North Carolina, unfortunately or fortunately, we have more manufactured homes. So obviously having standards would allow them to have it and the requirement opportunities.

I commend my colleagues to vote for this.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. METCALF), a member of the Committee on Banking and Financial Services and also chairman of the Housing Caucus.

(Mr. METCALF asked and was given permission to revise and extend his remarks.)

Mr. METCALF. Mr. Speaker, I rise in support of H.R. 3899.

H.R. 3899 provides greater opportunities for homeownership by increasing the FHA adjustable rate mortgages, the ARMs, while protecting the FHA program. The Secretary of HUD will have the discretion to increase the number of ARMs to make homeownership a reality for more people.

This is a very popular program, especially when interest rates are low. I want to thank my colleague the gentleman from California (Mr. CAMPBELL) for his leadership in reducing Federal barriers to homeownership. His provisions are included in this legislation.

For the past 3 years Congress has transferred decisions and responsibilities to local communities. This process, however, is not simply about giving local communities funds through block grants, it is equally important to provide communities the flexibility from Federal mandates and regulations. Much of this can be achieved by identifying government imposed barriers and their impact on the cost and supply of housing.

Lastly, this legislation creates a consensus committee for developing standards in the manufacturing housing industry. Manufactured housing is often underutilized, but is a very feasible opportunity for increasing homeownership, especially for first time home buyers.

Today we take a step forward in helping make homeownership a reality for more people. I want to thank the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAZIO) for their efforts in bringing this legislation to the floor.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from Rhode Island (Mr. WEYGAND).

(Mr. WEYGAND asked and was given permission to revise and extend his remarks.)

Mr. WEYGAND. Mr. Speaker, I want to thank my good friend the gentleman from Massachusetts (Mr. JOE KENNEDY) for his outstanding leadership and work on this bill and so many others. He has always been there to help those less fortunate and his tenure here in Congress will be sorely missed. He has really been a leader in this and I thank him.

I also want to thank the gentleman from New York (Mr. LAZIO) for helping us on a couple of issues that were sticking points and that we wanted to work out.

One of the most important things about this bill is that we are trying to increase the amount of homeownership in distressed areas. This bill helps do that. Section 8 funding for such things as a down payment, allowing the one year of section 8 assistance to go to a down payment, is an important part to provide some assistance to people who have ownership in distressed areas.

Another part is the removal of barriers that would preclude many of the things that we want to do in these areas being included. The gentleman from Nebraska (Mr. BEREUTER) had mentioned that it is so important that we push away some of the Federal barriers that presently preclude affordable housing from being a true part of our cities and towns.

The other part is something that we came up with in committee. That was the horrific stories that we read and heard about with regard to housing inspections. So many people came to us in committee and said that they wanted homeownership, they went and they worked very hard to provide the down payment, finally had their dream home, only to walk into that home and find out that it was not habitable.

We worked and struggled very hard on the issue of inspections to be sure that loans, the people that took out loans would have the housing that they wanted and would be habitable. The gentleman from New York (Mr. LAZIO) and I have worked on the issue about housing inspections and I know that we are working with HUD on this so that we will have a system that does not duplicate the existing requirements that we have in place in cities and towns and States but also have a Federal system that is reasonable and that does not take away some of the present requirements that we have in cities and towns and State government.

I want to thank the gentleman from New York (Mr. LAZIO) for allowing us to have this study and look forward to working with him in the future. Lastly, again I would like to thank the gentleman from Massachusetts (Mr. KENNEDY) for his tremendous leadership on this bill.

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Mr. KENNEDY of Massachusetts. Mr. Speaker, I ask the Chair to clarify how much time is remaining on the debate.

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Massachusetts (Mr. KENNEDY) has 1 minute remaining. The gentleman from New York (Mr. LAZIO) has 4 minutes remaining.

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

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York (Mr. GILMAN), one of our leaders of our State, the dean of the New York delegation, the chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I rise today in support of H.R. 3899, the American Homeownership Act, introduced by the distinguished gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY), who we will soon miss for his premature retirement. We thank him for his good works over the years.

I commend both gentlemen's efforts in bringing this legislation to the floor today to help expand homeownership opportunities for all Americans as we approach the next century.

This bill will allow families to benefit from the availability of flexible capital for homeownership and to be able to use Federal housing vouchers for the payment of monthly mortgages for a new home and will cut through the red tape and regulations that have prevented Americans from purchasing homes in the past.

This measure also promotes the ability of the private sector to produce affordable housing without excessive government regulation.

Accordingly, I urge my colleagues to support this measure to help all American families to pursue the American dream and be able to own their own homes.

Mr. LAZIO of New York. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. ROUKEMA), a member of the Committee on Banking and Financial Services.

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I rise in strong support of this legislation. Our colleague, the gentleman from New York (Mr. GILMAN), took the words out of my mouth. This is expanding the American dream for millions of Americans. I want to thank the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY).

Mr. Speaker, I rise in strong support of HR 3899, the American Home ownership Act of 1998. I have cosponsored this legislation which enjoys wide bipartisan support.

A good job at a good wage. The ability to raise a family in comfort. Sending your children to college so that they make their own way in the world. These are major components of the Great American Dream. Integral to this dream—owning the roof over your family's head—owning a house to call a home.

My Colleagues, in one of the richest nations on earth, owning your own home should be more than just a dream. That is why it is important for us to continue to seek ways to make home ownership more affordable and more accessible. This legislation takes a significant step forward in helping hard-working Americans obtain that dream of owning their own home.

The American Home ownership Act allows families receiving federal rental vouchers to use the assistance toward monthly mortgage payments. Local housing authorities are given authority to provide residents with down payment assistance in lieu of monthly public housing assistance. I am particularly pleased to see that this bill does not include provisions requiring mandatory FHA home inspections. Instead, it includes a GAO study that will investigate the need for mandatory inspections.

In addition, it creates a HOME Loan Guarantee program to allow communities to tap into future HOME grants for affordable housing development. The Act also provides grant authority for use in ''Home ownership Zones''—designed areas where large scale development projects are designed to reclaim distressed neighborhoods by creating Home ownership opportunities for low and moderate income families.

By some estimates, unnecessary government regulation adds 20 to 35 percent to the cost of a new home. For many hard working families, this 20 to 35 percent represents the difference between owning a house or continuing to reside in rental property. This legislation recognizes this difficult fact and requires all Federal agencies to include a housing impact analysis with any proposed regulation to certify such regulation have no significant negative impact on the availability of affordable housing.

Finally, this legislation includes provisions that will promote the quality, safety and affordability of manufactured homes by ensuring uniform standards and codes for construction across the country.

I want to commend the Chairman of the Housing Subcommittee, Mr. LAZIO, for his hard work on this important legislation—I urge my colleagues to support this import bill.

I yield back the balance of my time.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield the final minute of the debate to the gentleman from Chicago, Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, let me commend and congratulate the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY), the ranking member, and all of the members of the committee for bringing this important legislation to us.

The American dream, for many, have not been realized because they have not been able to experience the ownership of a home. This legislation opens up opportunities for individuals to receive mortgage assistance, but also for manufactured housing to really come on-line. I think it is one of the most important pieces of legislation that we have seen and will see.

I represent a district that has 175,000 people who live at or below the poverty level. This will go a long ways, Mr. Speaker, towards providing them with opportunities to experience homeownership.

Again, I commend the chairman, the gentleman from New York (Mr. LAZIO) and certainly the ranking member and say that we are going to miss the voice of the gentleman from Massachusetts (Mr. KENNEDY) as a voice for the underrepresented, the dispossessed, and all of those in America who are still looking for the American dream. Go with peace.

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

(Mr. LAZIO of New York asked and was given permission to revise and extend his remarks and include extraneous material).

Mr. LAZIO of New York. Mr. Speaker, in yesterday's New York Times, an editorial was published which was entitled ''A Win-Win On Housing.'' It was really written about the public housing bill that had been passed by the House and the Senate and was on its way to the President for signature, but it could well have been written about this bill as well, because this is indeed a win-win on housing.

We have worked closely with the gentleman from Massachusetts (Mr. KENNEDY) and the gentleman from New York (Mr. LAFALCE). We have incorporated ideas from many people, ranging from the administration.

I want to particularly salute Bill Apgar, who is the FHA Commissioner, for his constructive work with this committee, with the gentleman from Iowa (Mr. LEACH), the chairman of the full committee, the gentleman from Ohio (Mr. NEY) and the gentleman from Louisiana (Mr. BAKER), two important members of our committee, and the gentleman from New Mexico (Mr. REDMOND), who had input and helped draft provisions that dealt with native American housing, all of whom were very significant in terms of moving this forward.

I would just say to the Members of this body, if we can think back and remember the first time we went to a closing when somebody put the keys of our first house in our hand how we felt; that sense of pride, that sense of having the satisfaction of knowing that we can provide for our family, the peace of mind of knowing that we will not be going through a series of unstable housing situations, but in fact we are going to have something of our very own, a place where we can put our roots down in, a place that we can raise our children in or just appreciate and grasp the greatest ambition that we have had.

This bill I think does that. It will bring that promise of homeownership, what has been referred to many times as the dream of homeownership for America to countless Americans whose names we will never remember or never hear, but people who will have more satisfying lives, will have a greater peace of mind, will be able to raise their family and provide them the greatest fruits of life because of the dream of homeownership.

It is a uniquely American institution in the sense that we have the highest rate of homeownership of any of our industrialized neighbors. It is very much a part of the growth of America.

What we do with this bill is we try to look to creative tools to enhance that, especially for low-income Americans to try to get them into their first home, to share in the fruit of homeownership. It would not have been possible without the cooperation of many people.

I want to, again, thank the gentleman from Massachusetts (Mr. KENNEDY) for his friendship, he is an easy person to get along with, for his hard work and for his dedication.

If I can, I just want to again point to the attention of the House to what will be the Joseph P. Kennedy, II Homeownership Rehabilitation Demonstration Grant Act, which is the brainchild of the gentleman from Massachusetts (Mr. KENNEDY), to try to help those people who have their own home but struggle to try to find and way to rehab their own place, whether it is a new roof or a new boiler. Keep them in those neighborhoods. Give them the peace of mind to that there is an outlet out there in order to finance these basic needs.

It is typical of the interest of the gentleman from Massachusetts (Mr.

KENNEDY) of low-income Americans that he would have authored that. I urge my colleagues to support this important bill.

The New York times editorial referred to and additional material are as follows:

[From the New York Times, Oct. 13, 1998]

A WIN-WIN ON HOUSING

Ever since the Republicans took control of Congress, the new majority has struggled with the Clinton Administration over the issue of low-income housing. Last week the two sides came together and passed a measure that blends conservative and liberal concerns. It is a major achievement for both the Administration and Congress.

Republicans have long wanted to give low-income working people a greater share of subsidized housing, while Democrats wanted to favor the poorest of the poor, who have no resources to obtain shelter at market rates. Both sides and have a point. Housing projects need to include stable families with working adults who can serve as role models for other residents. When homelessness exploded in the 1980's too many apartments in some projects were turned over to extremely indigent families, tipping the community balance.

But the Republicans' proposed solutions went too far. One particularly bad idea was to change the income mix eligible for rent subsidy vouchers, a program that does not suffer from the same problems as traditional housing projects. Unlike public housing residents, who live in a closed community, people who receive the vouchers are dispersed throughout the private housing market. To the delight of housing advocates, the final bill creates 90,000 much-needed new vouchers and requires that 75 percent go to the poorest of the poor. The bill relaxes some of the income limits for housing project to make room for more of the working poor, although many units must still be reserved for the very poor. In New York City, 40 percent of project residents would have to have incomes at or below $15,000, but other residents would be able to make up to $40,150.

Other compromises were equally sensible. The Republicans got concessions aimed at rewarding effort, including very modest community service requirements. Democrats got additional controls to make sure that allowing more high-income families does not lead to racial or economic segregation. The bill bows to the animal lobby's demand that all public housing residents be allowed to keep animals, but officials in cities like New York, where vicious dogs have long terrorized residents of some large projects, will now apparently be able to impose reasonable restrictions.

Housing Secretary Andrew Cuomo and Representative Rick Lazio of Long Island, the Republican point man on housing issues, have represented two poles in this long struggle. This bill is a win for both men. Mr. Cuomo, and his predecessor Henry Cisneros, have given what was known as the Federal Government's worst-run bureaucracy some credibility with Congress. Mr. Lazio has finally won his long battle to make public housing a bipartisan issue. While some Republicans will always have an ideological objection to Federal housing subsidies, Mr. Lazio has always argued that many others can be brought around, once they are convinced that the system is well run and aimed at encouraging self-sufficiency. We believe he is right, and this bill may be a big step in that direction.

H.R. 3899, THE ''AMERICAN HOMEOWNERSHIP ACT OF 1998''

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title and Table of Contents.

States that the act may be cited as the ''American Homeownership Act of 1998.''

Section 2. Findings and purpose.

Congressional findings are that expanding homeownership opportunities should be a national priority, that there is an abundance of conventional capital available, and that communities possess ample will and creativity to provide opportunities uniquely designed to assist their citizens to achieve homeownership. Purposes of the act are to encourage homeownership by families not otherwise able to afford homeownership, to promote the ability of the private sector to produce affordable housing without excessive government regulation, to expand homeownership through tax incentives such as the home mortgage-interest deduction, and to facilitate the availability of capital for homeownership opportunities.

Title I: Removal of Barriers to Affordable Housing

Section 101. Short title.

This title may be referred to as the ''Affordable Housing Barrier Removal Act of 1998.''

Section 102. Housing impact analysis.

Requires that all proposed federal regulations include a housing impact analysis so that a federal agency can certify that a proposed regulation would have no significant deleterious impact upon housing affordability. If a proposed rule would have a negative impact, then an opportunity is given to groups to offer an alternative that achieves the stated objectives with a less deleterious impact on housing. HUD is directed to create model impact analyses that other agencies can use for these purposes.

Section 103. Grants for regulatory barrier removal strategies.

Authorizes $15 million through FY 2003 for grants to States, local governments, and eligible consortia for regulatory barrier removal strategies. This is reauthorization of the same amount under an already existing CDBG setaside (Section 107(a)(1)(H)). Grants provided for these purposes must be used in coordination with the local comprehensive housing affordability strategy (''CHAS'').

Section 104. Eligibility for community development block grants.

Requires a jurisdiction as a condition of eligibility under the CDBG program to make a good faith effort to reduce barriers to affordable housing identified in the CHAS submitted by the jurisdiction to HUD, without creating any new private right of action.

Section 105. Regulatory barriers clearinghouse.

Creates within HUD's Office of Policy Development and Research a ''Regulatory Barriers Clearinghouse'' to collect and disseminate information on, among other things, the prevalence of regulatory barriers and their effects on availability of affordable housing, and successful barrier removal strategies.

Title II: Homeownership Through FHA Mortgage Insurance

Section 201. Adjustable rate mortgages.

Provides the Secretary with discretion, upon submitting to Congress a written findings of unmet demand, to increase the number of adjustable rate mortgages (''ARMs'') the Department insures by an amount not to exceed 40% of the prior year's number of mortgages. The Secretary must report to Congress, prior to taking such action, that such increase shall not adversely affect the actuarial soundness of the FHA fund.]

Section 202. Housing inspection study.

Requires a GAO study of the inspection process for FHA properties, comparing or estimating the potential financial losses and savings to the Mutual Mortgage Insurance Fund between a system that would require a mandatory FHA inspection and the current optional inspection. The study would also review the potential impact of a mandatory FHA system on the homebuying process, particularly including underserved area where FHA losses are the greatest and whether there is a housing quality and/or financial difference in inspected homes and those without inspections. The study would also review the current option practice and report whether consumers understand the availability of independent inspections, financed by FHA and whether their choices for an inspection are affected or pressured by market or economic forces.

Section 203. Definition of area.

Provides the Secretary of HUD with discretion to provide that any county or statistical area, together with any counties proximate or contiguous with such area, may be treated as a single area for purposes of determining the FHA limit for such area by using the highest limit within the newly defined area. This allows the Secretary the discretion to rationalize FHA limits in areas where strict adherence to existing metropolitan statistical areas limit homeownership opportunities.

Sec. 204. Extension of Loan Term for Manufactured Home Lots.

Extends the loan terms for manufactured home lots financed by insured financial institutions from 15 years, 32 days to 20 years, 32 days.

Sec. 205. Repeal of Requirements for Approval for Insurance Prior to Start of Construction.

This section would repeal FHA requirements that required newly constructed homes to be insured at a 90% Loan-to-Value ratio unless it was approved before construction or met consumer protection or warranty plans or was completed more that one year before insurance was requested. After enactment, newly constructed homes would be subject to the same requirements as older homes, which would allow higher loan-to-value ratios up to 97%.

Sec. 206. Rehabilitation Demonstration Grant Program.

Makes available funding for a rehabilitation grant program established in the Quality Housing and Work Responsibility Act of 1998 (Section 599G), for fiscal year 1999, from funds in the Mutual Mortgage Insurance Fund in an amount not to exceed $25 million. Renames the legislation establishing the program the ''Joseph P. Kennedy II Homeownership Rehabilitation Demonstration Grant Act.''

Title III: Section 8 Homeownership Option

Section 301. Down-payment assistance.

PHAs are authorized to provide down-payment assistance in the form of a single grant, in lieu of monthly assistance. Such down-payment assistance shall not exceed the total amount of monthly assistance received by the tenant for the first year of assistance. For FY 2000 and thereafter, assistance under this section shall be available to the extent sums are appropriated.

Title IV: HOME Investment Partnership Program

Section 401. Reauthorization.

Reauthorizes the HOME Investment Partnerships Program through FY 2003, at $1.6 billion for FY 99, and thereafter at such sums as appropriated.

Section 402. Eligibility of limited equity cooperatives and mutual housing associations.

Amends HOME to make eligible mutual housing associations and limited equity cooperatives.

Section 403. Leveraging affordable housing investment through local loan pools.

Allows HOME funds to be used as leverage in connection with the creation of greater ''loan pools'' (ten times the amount of the HOME funds invested in such a pool) without imposing the HOME income restrictions on the entire pool (i.e. allows ''mixed-income'' pools.)

Section 404. Loan guarantees.

Creates a HOME Loan Guarantee program, by adding a provision allowing the Secretary to guarantee (similar to CDBG loan guarantees) the obligations of participating jurisdictions made in connection with affordable housing efforts by pledging as security a participating jurisdiction's future HOME allocations (up to five times the latest allocation).

Title V: Local Home Ownership Initiatives

Section 501. Reauthorization of Neighborhood Reinvestment Corporation.

Reauthorizes the Neighborhood Reinvestment Corporation at $90 million for FY 99 (including $25 million for a pilot homeownership initiative) and at $90 million thereafter through FY 2003.

Section 502. Homeownership zones.

Provides grants for use in ''Homeownership Zones'', which are designated areas in which large scale development projects are designed to reclaim distressed neighborhoods by creating homeownership opportunities for low and moderate income families. Authorizes $25 million in grants for FY 1999 through FY 2000, to remain available until expended.

Sections 503. Lease-to-own.

Provides for a sense of the Congress that residential tenancies under lease to own provisions can facilitate homeownership by low and moderate income families. Requires the Secretary to provide a report to Congress within 3 months after enactment of the act, analyzing whether lease to own provision can be incorporated within the HOME investment partnerships program, the public housing program, and other federally-assisted housing programs.

Section 504. Local capacity building.

Amends Section 4 of Public Law 103–120 (the ''HUD Demonstration Act''), to add the National Association of Housing Partnerships as an intermediary organization eligible for federal grants to develop the capacity and ability of community development corporations and community housing development organizations to undertake community development and affordable housing projects.

Title VI: Manufactured Housing Improvement

Section 601. Short Title and references.

States that this title may be cited as the ''Manufactured Housing Improvement Act.''

Section 602. Findings and purposes.

Current law provisions are replaced with a more positive, detailed statement of the original intent of Congress when it enacted the Federal Manufactured Home Construction and Safety Standards Act. Adds a consensus standards development process to the purpose of the Act. Expresses the continuing need to facilitate the availability of affordable manufactured homes as well as the need for objective, performance-based standards and enhanced consumer protection.

Section 603—Definitions.

Adds several definitions to Section 603 of current law concerning the consensus committee and the consensus standards development process set forth in Section 604 of this bill. Adds a definition for the monitoring function and related definitions for primary inspection agency and design approval primary inspection agency duties, which had not been previously defined. Consensus committee recommends specific regulations regarding these functions to the Secretary of HUD. The term ''dealer'' has been replaced throughout with the term ''retailer.''

Section 604. Federal manufactured home construction and safety standards.

Section 604 of the existing manufactured housing regulation is revised to establish a ''Consensus Committee'' that would submit recommendations to the Secretary of HUD for developing, amending and revising both the Federal Manufactured Home Construction and Safety Standards and the enforcement regulations. Establishes requirements as to when recommendations made by the Consensus Committee to the Secretary are to be published by the Secretary in the Federal Register for public comment.

The members of the Consensus Committee will be appointed, subject to approval by the Secretary, by an administering organization, which shall be a recognized, voluntary, private consensus standards body with specific experience in developing model residential building codes. The committee shall be composed of 25 qualified individuals including general interest groups such as academicians, researchers, architects, and homebuilders.

The revisions to section 604 would also clarify the scope of federal preemption to ensure that disparate state or local requirements do not affect the uniformity and comprehensive nature of the federal standards. At the same time, the bill would reinforce the proposition that installation standards and regulations remain under the exclusive authority of each state.

Section 605. Abolishment of the National Manufactured Home Advisory Council.

Section 605 of existing law would be repealed, abolishing the National Manufactured Home Advisory Council, which is replaced by the consensus committee formed under Section 604.

Section 606. Public information.

Amends current requirements governing cost information of any new standards submitted by manufacturers to the Secretary by requiring the Secretary to submit such cost information to the consensus committee for evaluation.

Sec. 607. Research, testing, development, and training.

Requires HUD Secretary to conduct research, testing, development and training necessary to carry out the purposes of facilitating manufactured housing, including encouraging GSE's to develop and implement secondary market securitization programs for FHA manufactured home loans, and reviewing the programs for FHA manufactured home loans and developing any changes to such programs to promote the affordability of manufactured homes.

Section 608. Fees.

Amends current section 620 by allowing the Secretary to use industry label fees for current activities, conducting inspections and monitoring, providing funding to states for administration and implementation of approved state plans under existing section 623, hiring additional program staff, for additional travel funding, funding of a non-career administrator to oversee the program, and for the costs of administration of the consensus committee. Prohibits the use of label fees to fund any activity not expressly authorized by the act, makes expenditure of label fees subject to annual Congressional appropriations review, and eliminates HUD's annual report requirement. Requires HUD to be accountable for any fee increase by requiring notice and comment rulemaking.

Section 609. Elimination of annual report requirement.

Eliminates existing annual reporting by the Secretary to Congress on manufactured housing standards.

Section 610. Effective date.

Effective date of the legislation is the date of enactment, except that interpretive bulletins or orders published as a proposed rule prior to the date of enactment shall be unaffected.

Section 611. Savings provision.

Existing manufactured housing standards are maintained in effect until the effective date of the Federal manufactured home construction and safety standards pursuant to the amendments made by this act.

Title VII: Indian Housing Homeownership

Section 701. Indian Lands Title Report Commission.

Subject to amounts appropriated, creates an Indian Lands Title Report Commission to develop recommended approaches to improving how the Bureau of Indian Affairs conducts title reviews in connection with the sale of Indian lands. Receipt of a certificate from BIA is a prerequisite to any sales transaction on Indian lands, and the current procedure is overly burdensome and presents a regulatory barrier to increasing homeownership on Indian lands.

The Commission is composed of 12 members with knowledge of Indian land title issues (4 appointed by the President, 4 by the President from recommendations made by the Chairman of the Senate Committee on Banking, Housing and Urban Affairs Committee, and 4 by President from recommendations made by the Chairman of the House Committee on Banking and Financial Services). Authorized at $500.000.

Title VIII. Transfer of Unoccupied and Substandard HUD-Held Housing to Local Governments and Community Development Corporations.

Section 801. Amends Section 204 of the VA, HUD and Independent Agencies Act of 1997, which sets forth the authority of the HUD Secretary to engage in property disposition activities. Requires the HUD Secretary to transfer, to the maximum extent practicable, ownership of eligible properties (HUD-owned substandard multifamily, unoccupied multifamily, or unoccupied single-family properties to a unit of local government having jurisdiction for the area where the property is located, or to a community development corporation within such jurisdiction, on certain terms and conditions. Eligible properties do not include any property subject to a specific sale agreement under section 204(h) of the National Housing Act, as amended by Section 602 of the FY 99 VA, HUD and Independent Agencies Appropriations Act. Requires the HUD Secretary to issue a report within 6 months of enactment of the Act identifying any communities designated as ''revitalization communities'' pursuant to section 204(h) of the National Housing Act, as amended. HUD shall be required to implement the provisions of this section to the extent their implementation do not increase the costs to the federal government under existing current HUD disposition programs.

Sec. 802. Amendment to Revitalization Area Disposition Program.

Properties eligible for disposition under Section 602 of the FY 99 VA, HUD and Independent Agencies Appropriations Act for

which the Secretary determines continued inclusion is inappropriate because of a failure of any prospective purchaser to express an interest in such property, may be eligible for disposition under the program set forth in this Title.

Sec. 803. Report on Revitalization Zones for HUD-Owned Single Family Properties.

Requires the Secretary of HUD, no later than 6 months after enactment of this Act, to provide a report to Congress identifying the revitalization areas designated by the Secretary in accordance with the disposition program established under Section 602 of the FY 99 VA, HUD and Independent Agencies Appropriations Act, areas which have requested such designation or which the Secretary is considering designating as such areas, and eligible properties in such revitalization areas for which the Secretary has a reasonable expectation of transferring to other entities.

Sec. 804. Technical Corrections to Income Targeting Provisions for Project-Based Assistance.

Makes a technical corrections to public housing reform legislation included in the VA, HUD FY 99 Appropriations Act regarding targeting of Section 8 project-based assistance.

Sec. 805. Technical Corrections to Title V of the VA, HUD, and Independent Agencies Appropriations Act of 1997.

Makes certain technical and clarifying corrections to the HUD Section 8 Portfolio Restructuring program established under Title V of the VA, HUD, and Independent Agencies Appropriations Act of 1997.

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the American Homeownership Act; but first of all, let me commend and congratulate Chairman LAZIO, Ranking Member KENNEDY and all Members of the Committee for bringing this important legislation to the floor.

Home ownership is a real part of the American dream. Unfortunately, thousands of low and moderate income citizens have not been able to experience the joy and the benefits of home ownership.

I represent a district where 175,000 people live at or below the poverty-level: therefore, for many of them home ownership has not been an option.

This bill provides greatly needed resources and puts manufactured housing full square in the mix of housing development, especially in low and moderate income communities. Again, I commend and congratulate Chairman LAZIO and Ranking Member KENNEDY. In addition, as Mr. KENNEDY prepares to leave us, JOE, you have given your voice and your talents to the needs of the poor, helpless and hopeless members of our society.

We're going to miss your voice and your passion and as you leave, go in peace.

Mr. ETHERIDGE. Mr. Speaker, I rise today in strong support of manufactured housing in America and H.R. 3899, the American Homeownership Act of 1998. As the co-chairman of the House Manufactured Housing Caucus and as an original cosponsor of H.R. 3634, the Manufactured Housing Improvement Act of 1998, I am pleased that a negotiated version of H.R. 3634 is included in Title VII of H.R. 3899 that we consider today.

Manufactured housing is a large and growing component of our efforts to address the shortage of affordable housing across North Carolina and the nation. The economic impact of the manufactured housing industry in North Carolina is remarkable: over 15,000 people are employed by the industry in manufacturing facilities and retail operations, providing a total economic pact of over $3 billion each year.

The manufactured housing industry also generates hundreds of good paying jobs at about one dozen plants in my district alone, perhaps the most of any Congressional District in the country. This industry's economic presence is an essential component of many North Carolina communities, and makes a big difference in our quality of life.

The experience of North Carolina mirrors that of communities across America. Manufactured housing represents one-third of all new single-family homes sold in the U.S., and it is the fastest growing segment of the housing industry. The manufactured housing industry provides quality homes at a price that is within reach of almost every American family, about $38,300, without land.

At a time when home ownership is becoming harder to obtain, when more than 5.3 million Americans are paying over 50% of their incomes on rent, and when we have a renewed focus on transferring people away from dependency on public housing, it just makes sense to support the manufactured housing industry.

However, the industry is being regulated by the Department of Housing and Urban Development (HUD) under a 24-year old Federal manufactured housing program statute. Manufactured homes have changed tremendously during this period and in many cases are virtually indistinguishable from other types of homes.

I am pleased that officials at HUD and the manufactured housing industry have negotiated acceptable language in H.R. 3899 that will help revitalize the federal manufactured housing industry program at HUD, address impediments to growth of this vital industry, and help achieve our national priority of increasing home ownership opportunities for many more Americans.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. LAZIO) that the House suspend the rules and pass the bill, H.R. 3899, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LAZIO of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 3899.

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

There was no objection.

FEDERAL REPORTS ELIMINATION ACT OF 1998

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1364) to eliminate unnecessary and wasteful Federal reports, as amended.

The Clerk read as follows:

S. 1364

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Federal Reports Elimination Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—DEPARTMENT OF AGRICULTURE

Sec. 101. Reports eliminated.

TITLE II—NOAA

Sec. 201. Reports eliminated.

TITLE III—EDUCATION

Sec. 301. Report eliminated.

TITLE IV—DEPARTMENT OF ENERGY

Sec. 401. Reports eliminated.
Sec. 402. Reports modified.

TITLE V—ENVIRONMENTAL PROTECTION AGENCY

Sec. 501. Reports eliminated.

TITLE VI—DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 601. Reports eliminated.
Sec. 602. Reports modified.

TITLE VII—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Sec. 701. Reports eliminated.

TITLE VIII—INDIAN AFFAIRS

Sec. 801. Reports eliminated.

TITLE IX—DEPARTMENT OF THE INTERIOR

Sec. 901. Reports eliminated.
Sec. 902. Reports modified.

TITLE X—DEPARTMENT OF JUSTICE

Sec. 1001. Reports eliminated.

TITLE XI—NASA

Sec. 1101. Reports eliminated.

TITLE XII—NUCLEAR REGULATORY COMMISSION

Sec. 1201. Reports eliminated.
Sec. 1202. Reports modified.

TITLE XIII—OMB AND OPM

Sec. 1301. OMB.
Sec. 1302. OPM.

TITLE XIV—TRADE

Sec. 1401. Reports eliminated.

TITLE XV—DEPARTMENT OF TRANSPORTATION

Sec. 1501. Reports eliminated.
Sec. 1502. Reports modified.

TITLE I—DEPARTMENT OF AGRICULTURE

SEC. 101. REPORTS ELIMINATED.

(a) SECONDARY MARKET OPERATIONS.—Section 338(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1988(b)) is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraph (5) as paragraph (4).

(b) ESTIMATE OF SECOND PRECEDING MONTH'S EXPENDITURES UNDER FOOD STAMP PROGRAM.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking the third and fourth sentences.

(c) ADVISORY COMMITTEES.—Section 1804 of the Food and Agriculture Act of 1977 (7 U.S.C. 2284) is repealed.

(d) FARMER-TO-CONSUMER DIRECT MARKETING ACT OF 1976.—

(1) IN GENERAL.—Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is repealed.

(2) CONFORMING AMENDMENT.—Section 7(a) of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3006(a)) is amended by striking ''the provisions of sections 4 and 6'' and inserting ''section 4''.

(e) AGRICULTURAL RESEARCH AT LAND-GRANT COLLEGES.—Section 1445(g) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(g)) is amended—

(1) by striking ''(1)'' after ''(g)''; and

(2) by striking paragraph (2).

(f) FOREIGN OWNERSHIP OF AGRICULTURAL LAND.—Section 5 of the Agricultural Foreign Investment Disclosure Act of 1978 (7 U.S.C. 3504) is repealed.

(g) INTERNATIONAL SUGAR AGREEMENT, 1977.—Section 6 of Public Law 96–236 (7 U.S.C. 3606) is repealed.

(h) HOUSING PRESERVATION GRANT PROGRAM.—Section 533 of the Housing Act of 1949 (42 U.S.C. 1490m) is amended by striking subsection (j).

(i) NATIONAL ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION.—Section 17(k) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(k)) is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

TITLE II—NOAA

SEC. 201. REPORTS ELIMINATED.

(a) REPORT CONCERNING PRICES FOR NAUTICAL AND AERONAUTICAL PRODUCTS.—Section 1307(a)(2)(A) of title 44, United States Code, is amended by striking the last sentence.

(b) REPORT ON NATIONAL SHELLFISH RESEARCH PROGRAM.—Section 308 of the National Oceanic and Atmospheric Administration Authorization Act of 1992 (33 U.S.C. 1251 note) is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

TITLE III—EDUCATION

SEC. 301. REPORT ELIMINATED.

Section 1411 of the Higher Education Amendments of 1992 is repealed.

TITLE IV—DEPARTMENT OF ENERGY

SEC. 401. REPORTS ELIMINATED.

(a) REPORT ON RESUMPTION OF PLUTONIUM OPERATIONS AT ROCKY FLATS.—Section 3133 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (105 Stat. 1574) is amended—

(1) by striking subsections (c) and (d); and

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

(b) ELECTRIC UTILITY PARTICIPATION STUDY.—Section 625 of the Energy Policy Act of 1992 (42 U.S.C. 13295) is repealed.

(c) REPORT ON VIBRATION REDUCTION TECHNOLOGIES.—Section 173(c) of the Energy Policy Act of 1992 (42 U.S.C. 13451 note) is amended—

(1) by striking subsection (c); and

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

(d) REPORT ON PROCESS-ORIENTED INDUSTRIAL ENERGY EFFICIENCY.—Section 132 of the Energy Policy Act of 1992 (42 U.S.C. 6349) is amended—

(1) by striking subsection (d); and

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

(e) REPORT ON INDUSTRIAL INSULATION AND AUDIT GUIDELINES.—Section 133 of the Energy Policy Act of 1992 (42 U.S.C. 6350) is amended by striking subsection (c).

(f) REPORT ON THE USE OF ENERGY FUTURES FOR FUEL PURCHASES.—Section 3014 of the Energy Policy Act of 1992 (42 U.S.C. 13552) is amended—

(1) by striking subsection (b); and

(2) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(g) REPORT ON IMPLEMENTATION OF THE ALASKA FEDERAL CIVILIAN ENERGY EFFICIENCY SWAP ACT OF 1980.—Section 6 of the Alaska Federal Civilian Energy Efficiency Swap Act of 1980 (40 U.S.C. 795d) is repealed.

SEC. 402. REPORTS MODIFIED.

(a) REPORT ON PLAN FOR ELECTRIC MOTOR VEHICLES.—Section 2025(b) of the Energy Policy Act of 1992 (42 U.S.C. 13435(b)) is amended—

(1) in the second sentence of paragraph (1), by striking ''annually'' and inserting ''biennially''; and

(2) in the second sentence of paragraph (4), by striking ''Annual'' and inserting ''Biennial''.

(b) COKE OVEN PRODUCTION TECHNOLOGY STUDY.—Section 112(n)(2)(C) of the Clean Air Act (42 U.S.C. 7412(n)(2)(C)) is amended by striking ''The Secretary shall prepare annual reports to Congress on the status of the research program and at the completion of the study'' and inserting ''On completion of the study, the Secretary shall submit to Congress a report on the results of the study and''.

TITLE V—ENVIRONMENTAL PROTECTION AGENCY

SEC. 501. REPORTS ELIMINATED.

(a) REPORT ON EFFECT OF POLLUTION ON ESTUARIES AND ESTUARINE ZONES.—

(1) IN GENERAL.—Section 104(n) of the Federal Water Pollution Control Act (33 U.S.C. 1254(n)) is amended—

(A) by striking paragraph (3); and

(B) by redesignating paragraph (4) as paragraph (3).

(2) CONFORMING AMENDMENT.—Section 320(k) of the Federal Water Pollution Control Act (33 U.S.C. 1330(k)) is amended by striking ''section 104(n)(4)'' and inserting ''section 104(n)(3)''.

(b) CLEAN LAKES REPORT.—Section 314(a) of the Federal Water Pollution Control Act (33 U.S.C. 1324(a)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraph (4) as paragraph (3).

(c) REPORT ON NONPOINT SOURCE MANAGEMENT PROGRAMS.—Section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) is amended—

(1) in subsection (i), by striking paragraph (4);

(2) by striking subsection (m); and

(3) by redesignating subsection (n) as subsection (m).

(d) REPORT ON MEASURES TAKEN TO MEET OBJECTIVES OF FEDERAL WATER POLLUTION CONTROL ACT.—

(1) IN GENERAL.—Section 516 of the Federal Water Pollution Control Act (33 U.S.C. 1375) is amended—

(A) by striking subsections (a), (b)(2), (c), (d), and (e);

(B) by striking ''(b)(1)''; and

(C) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Section 104 of the Federal Water Pollution Control Act (33 U.S.C. 1254) is amended—

(i) in subsection (a)(5), by striking ''in the report required under subsection (a) of section 516'' and inserting ''not later than 90 days after the date of convening of each session of Congress''; and

(ii) in the first sentence of subsection (o)(2), by striking ''in the report required under subsection (a) of section 516'' and inserting ''not later than 90 days after the date of convening of each session of Congress''.

(B) The fourth sentence of section 116(b) of the Federal Water Pollution Control Act (33 U.S.C. 1266(b)) is amended by striking ''section 616(b) of this Act'' and inserting ''section 516''.

(C) The last sentence of section 205(a) of the Federal Water Pollution Control Act (33 U.S.C. 1285(a)) is amended by striking ''section 516(b)'' and inserting ''section 516''.

(D) The second sentence of section 210 of the Federal Water Pollution Control Act (33 U.S.C. 1290) is amended by striking ''shall be included in the report required under section 516(a) of this Act'' and inserting ''shall be reported to Congress not later than 90 days after the date of convening of each session of Congress''.

(e) STUDY OF ENVIRONMENTAL PROBLEMS ASSOCIATED WITH IMPROPER DISPOSAL OR REUSE OF OIL.—Section 9 of the Used Oil Recycling Act of 1980 (Public Law 96–463; 94 Stat. 2058) is repealed.

(f) REPORT ON STATE AND LOCAL TRAINING NEEDS AND OBSTACLES TO EMPLOYMENT IN SOLID WASTE MANAGEMENT AND RESOURCE RECOVERY.—Section 7007 of the Solid Waste Disposal Act (42 U.S.C. 6977) is amended by striking subsection (c).

(g) INTERIM REPORT OF NATIONAL ADVISORY COMMISSION ON RESOURCE CONSERVATION AND RECOVERY.—Section 33(a) of the Solid Waste Disposal Act Amendments of 1980 (Public Law 96–482, 94 Stat. 2356; 42 U.S.C. 6981 note) is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraph (8) as paragraph (7).

(h) FINAL REPORT ON MEDICAL WASTE MANAGEMENT.—

(1) IN GENERAL.—The Solid Waste Disposal Act is amended—

(A) by striking section 11008 (42 U.S.C. 6992g); and

(B) by redesignating sections 11009 through 11012 (42 U.S.C. 6992h through 6992k) as sections 11008 through 11011, respectively.

(2) CONFORMING AMENDMENTS.—The table of contents in section 1001 of the Solid Waste Disposal Act (42 U.S.C. prec. 6901) is amended—

(A) by striking the item relating to section 11008; and

(B) by redesignating the items relating to sections 11009 through 11012 as the items relating to sections 11008 through 11011, respectively.

(i) REPORT ON STATUS OF DEMONSTRATION PROGRAM TO TEST METHODS AND TECHNOLOGIES OF REDUCING OR ELIMINATING RADON GAS.—Section 118(k)(2) of the Superfund Amendments and Reauthorization Act of 1986 (Public Law 99–499; 42 U.S.C. 7401 note) is amended—

(1) by striking subparagraph (B); and

(2) by redesignating subparagraph (C) as subparagraph (B).

TITLE VI—DEPARTMENT OF HEALTH AND HUMAN SERVICES

SEC. 601. REPORTS ELIMINATED.

(a) AMENDMENTS.—

(1) PUBLIC HEALTH SERVICE ACT.—The Public Health Service Act (42 U.S.C. 201 et seq.) is amended as follows:

(A) Section 402(f) (42 U.S.C. 282(f)) is amended—

(i) in paragraph (1), by inserting ''and'' at the end;

(ii) in paragraph (2), by striking ''; and'' and inserting a period; and

(iii) by striking paragraph (3) (relating to annual reports on disease prevention).

(B) Section 408(a) (42 U.S.C. 284c(a)) is amended by striking paragraph (4) (relating to annual reports of the National Institutes of Health on administrative expenses).

(C) Section 430 (42 U.S.C. 285c–4) is amended—

(i) by striking subsection (j) (relating to annual reports of the National Diabetes Advisory Board, the National Digestive Diseases Advisory Board, and the National Kidney and Urologic Diseases Advisory Board); and

(ii) by redesignating subsection (k) as subsection (j).

(D) Section 439 (42 U.S.C. 285d–4) is amended by striking subsection (c) (relating to annual reports by the Arthritis and Musculoskeletal and Skin Diseases Interagency Coordinating Committee).

(E) Section 451 (42 U.S.C. 285g–3) is amended—

(i) in subsection (a), by striking ''(a) There'' and inserting ''There''; and

(ii) by striking subsection (b) (relating to reports by the Associate Director for Prevention of the National Institute of Child Health and Human Development).

(F) Section 494A (42 U.S.C. 289c–1) is amended—

(i) by striking subsection (b) (relating to reports on health services research); and

(ii) by striking ''(a)'' and all that follows through ''The Secretary'' and inserting ''The Secretary''.

(G) Section 1009 (42 U.S.C. 300a–6a) (relating to plans and reports regarding family planning) is repealed.

(H) Section 2104 (42 U.S.C. 300aa–4) (relating to National Vaccine Program reports) is repealed.

(2) OTHER ACTS.—The following provisions are amended:

(A) Section 540 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360qq) (relating to annual reports on the administration of the Radiation Control for Health and Safety program) is repealed.

(B) Section 405 of the Indian Health Care Improvement Act (25 U.S.C. 1645) (relating to the tribal organization demonstration program for direct billing of medicare, medicaid, and other third party payors) is repealed.

(C) Section 1200 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (42 U.S.C. 3509) (relating to the report of the Public Health Service) is repealed.

(D) Section 719 of the Indian Health Care Amendments of 1988 (Public Law 100–713; 102 Stat. 4838) (relating to the impact of the final rule relating to eligibility for health care services of the Indian Health Service) is repealed.

(E) The Alzheimer's Disease and Related Dementias Research Act of 1992 is amended by striking sections 911 and 912 (42 U.S.C. 11211 and 11212) (relating to the establishment and functions of the Council on Alzheimer's Disease).

(F) The International Health Research Act of 1960 (Public Law 86–610) is amended by striking section 5(h).

(b) SOCIAL SECURITY ACT AND RELATED PROVISIONS.—

(1) Section 8403(b) of the Technical and Miscellaneous Revenue Act of 1988 (Public Law 100–647; 102 Stat. 3799) is repealed.

(2) Section 4207(c)(2)(B) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 104 Stat. 1388–120) (42 U.S.C. 1395x note) is repealed.

(3) Section 9601(f) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272; 100 Stat. 222) (42 U.S.C. 1395b note) is repealed.

(4) Section 6003(i) of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239; 103 Stat. 2158) (42 U.S.C. 1395ww note) is repealed.

(5) Section 6102(d)(4) of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239; 103 Stat. 2185) (42 U.S.C. 1395w–4 note) is repealed.

(6) Section 1882(l)(6) of the Social Security Act (42 U.S.C. 1395ss(l)(6)) is repealed.

(7) Section 4056(d) of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203; 101 Stat. 1330–99) (42 U.S.C. 1395l note) (as redesignated by section 411(f)(14) of the Medicare Catastrophic Coverage Act of 1988 (Public Law 100–360; 102 Stat. 781)) is repealed.

SEC. 602. REPORTS MODIFIED.

(a) INDIAN HEALTH.—Subsection (e) of section 513 of the Indian Health Care Improvement Act (25 U.S.C. 1660c(e)) is amended by striking ''two years'' and inserting ''5 years''.

(b) SOCIAL SECURITY ACT.—

(1) Section 4801(e)(17)(B) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 104 Stat. 1388–218) (42 U.S.C. 1396r note) is amended by striking ''January 1, 1992'' and inserting ''January 1, 1999''.

(2) Section 4360(f) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 104 Stat. 1388–140) (42 U.S.C. 1395b–4) is amended by striking ''Not later than 180 days after the date of the enactment of this section'' and inserting ''Beginning with 1992''.

TITLE VII—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 701. REPORTS ELIMINATED.

(a) FUNDING RELATING TO EVALUATING AND MONITORING PROGRAMS.—Section 7(r) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(r)) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraph (6) as paragraph (5).

(b) STATE AND LOCAL STRATEGIES FOR REMOVAL OF BARRIERS TO AFFORDABLE HOUSING.—Section 1207 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705a note) is repealed.

(c) COMPREHENSIVE REVIEW AND EVALUATION OF HOMELESS ASSISTANCE PROGRAMS.—Section 1409 of the Housing and Community Development Act of 1992 (42 U.S.C. 11361 note) is amended—

(1) by striking ''(a) IN GENERAL.—''; and

(2) by striking subsection (b).

(d) NEIGHBORHOOD REDEVELOPMENT PROGRAM.—Section 123 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 5318 note) is amended—

(1) by striking subsection (f); and

(2) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(e) HOMEOWNERSHIP DEMONSTRATION PROGRAM.—Section 132 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3712) is amended—

(1) by striking subsection (f); and

(2) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(f) RURAL RENTAL REHABILITATION DEMONSTRATION.—Section 311 of the Housing and Community Development Act of 1987 (42 U.S.C. 1490m note) is amended—

(1) by striking subsection (c); and

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

(g) SUMMARY OF ACTIVITIES UNDER NEW TOWN DEMONSTRATION.—Section 1108 of the Housing and Community Development Act of 1992 (42 U.S.C. 5318 note) is amended by striking ''the following'' and all that follows before the period at the end of the section and inserting the following: ''a copy of the new town plan of the governing board, upon the approval of that plan under section 1102(d)''.

TITLE VIII—INDIAN AFFAIRS

SEC. 801. REPORTS ELIMINATED.

(a) INDIAN CHILD PROTECTION AND FAMILY VIOLENCE PREVENTION REPORT.—Section 412 of the Indian Child Protection and Family Violence Prevention Act (25 U.S.C. 3211) is repealed.

(b) REPORTS UNDER THE INDIAN FINANCING ACT OF 1974.—Section 217 of the Indian Financing Act of 1974 (25 U.S.C. 1497) is amended by striking subsection (f).

(c) EDUCATION AMENDMENTS OF 1978.—

(1) REPORT ON DEMONSTRATION PROJECTS.—Section 1121(h) of the Education Amendments of 1978 (25 U.S.C. 2001(h)) is amended—

(A) by striking paragraph (4); and

(B) by redesignating paragraph (5) as paragraph (4).

(2) NATIONAL CRITERIA FOR DORMITORY SITUATIONS.—Section 1122(d) of the Education Amendments of 1978 (25 U.S.C. 2002(d)) is amended by striking paragraph (3).

(3) POSITIONS CONTRACTED UNDER GRANTS OF POST-DIFFERENTIAL AUTHORITY IN THE BIA SCHOOLS.—Section 1132(h)(3)(B) of the Education Amendments of 1978 (25 U.S.C. 2012(h)(3)(B)) is amended by striking clause (iv).

(4) REPORT.—Section 1137 of the Education Amendments of 1978 (25 U.S.C. 2017) is amended—

(A) by striking the section designation and heading and inserting the following:

''SEC. 1137. BIENNIAL REPORT.'';

and

(B) in the first sentence of subsection (a)—

(i) by striking ''annual report'' and inserting ''biennial report''; and

(ii) by striking ''during the year'' and inserting ''during the 2-year period covered by the report''.

(5) REGULATIONS.—Section 1139 of the Education Amendments of 1978 (25 U.S.C. 2019) is repealed.

(6) TECHNICAL CORRECTION.—Section 605(b)(2) of the School-to-Work Opportunity Act of 1994 (20 U.S.C. 6235(b)(2)) is amended by striking ''(as defined in section 1139(3) of the Education Amendments of 1978 (25 U.S.C. 2019(3))'' and inserting ''(as defined in section 1146(3) of the Education Amendments of 1978 (25 U.S.C. 2026(3))''.

(d) TRIBALLY CONTROLLED SCHOOLS ACT OF 1988.—Section 5206 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2505) is amended by striking subsection (g).

(e) PUBLIC LAW 96–135.—Section 2 of Public Law 96–135 (25 U.S.C. 472a) is amended—

(1) by striking subsection (d);

(2) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively; and

(3) in subsection (d), as so redesignated—

(A) by striking paragraph (2); and

(B) by striking ''(1) The Office'' and inserting ''The Office''.

(f) NATIVE AMERICANS EDUCATIONAL ASSISTANCE ACT.—Section 4 of the Native Americans Educational Assistance Act (25 U.S.C. 2001 note) is amended—

(1) by striking subsection (c); and

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

(g) INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT.—Section 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j–1) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (o) as subsections (c) through (n), respectively.

TITLE IX—DEPARTMENT OF THE INTERIOR

SEC. 901. REPORTS ELIMINATED.

(a) PACIFIC YEW ACT.—

(1) REPEAL.—Section 7 of the Pacific Yew Act (16 U.S.C. 4806) is repealed.

(2) CONFORMING AMENDMENT.—Section 8 of such Act (16 U.S.C. 4807) is amended—

(A) by striking ''the relevant congressional committees, as listed in section 7,'' and inserting ''the Committee on Resources and the Committee on Agriculture of the House of Representatives, and the Committee on

Environment and Public Works, the Committee on Energy and Natural Resources, and the Committee on Agriculture, Nutrition, and Forestry of the Senate,''; and

(B) by redesignating such section as section 7.

(b) SIZE AND CONDITION OF THE TULE ELK HERD IN CALIFORNIA.—

(1) REPEAL.—Section 3 of Public Law 94–389 (16 U.S.C. 673f) is repealed.

(2) REDESIGNATION.—Section 4 of Public Law 94–389 (16 U.S.C. 673g) is redesignated as section 3.

(c) WATER QUALITY OF THE SACRAMENTO-SAN JOAQUIN DELTA AND SAN FRANCISCO BAY ESTUARINE SYSTEMS.—Section 4 of Public Law 96–375 (94 Stat. 1506) is amended by striking the second sentence.

(d) COLORADO RIVER FLOODWAY MAPS.—

(1) REPEAL OF REQUIREMENTS.—Section 5(b) of the Colorado River Floodway Protection Act (43 U.S.C. 1600c(b)) is amended—

(A) by striking ''(b)(1)'' and inserting ''(b)'';

(B) by striking paragraphs (2) and (3); and

(C) by redesignating clauses (i) and (ii) as paragraphs (1) and (2), respectively.

(2) CONFORMING AMENDMENT.—Section 5(c)(1) of such Act (43 U.S.C. 1600c(c)(1)) is amended by striking ''the appropriate officers referred to in paragraph (3) of subsection (b),'' and inserting ''appropriate chief executive officers of States, counties, municipalities, water districts, Indian tribes, or equivalent jurisdictions in which the Floodway is located,''.

(e) CERTIFICATION OF ADEQUATE SOIL SURVEY OF LAND CLASSIFICATION.—

(1) 1953 ACT.—The first section of title I of the Interior Department Appropriation Act, 1953, is amended in the matter under the heading ''**CONSTRUCTION AND REHABILITATION**'' under the heading ''**BUREAU OF RECLAMATION**'' (66 Stat. 451) by striking '': *Provided further,* That no part of this or any other appropriation'' and all that follows through ''means of irrigation''.

(2) 1954 ACT.—The first section of title I of the Interior Department Appropriation Act, 1954 (43 U.S.C. 390a; 67 Stat. 266) is amended—

(A) in the matter under the heading ''**CONSTRUCTION AND REHABILITATION**'' under the heading ''**BUREAU OF RECLAMATION**'', by striking '': *Provided further,* That no part of this or any other appropriation'' and all that follows through ''demonstrated in practice''; and

(B) by striking ''Such surveys shall include an investigation of soil characteristics which might result in toxic or hazardous irrigation return flows.'' (as added by section 10 of the Garrison Diversion Unit Reformulation Act of 1986 (100 Stat. 426)).

(f) CLAIMS SUBMITTED FROM THE TETON DAM FAILURE.—Section 8 of Public Law 94–400 (90 Stat. 1213) is repealed.

(g) STUDY OF THE FEASIBILITY AND SUITABILITY OF ESTABLISHING NIOBRARA-BUFFALO PRAIRIE NATIONAL PARK.—

(1) REPEAL.—Section 8 of the Niobrara Scenic River Designation Act of 1991 (Public Law 102–50; 16 U.S.C. 1a–5 note) is repealed.

(2) REDESIGNATION.—Section 9 of such Act (Public Law 102–50; 105 Stat. 258) is redesignated as section 8.

(h) STUDY OF ROUTE 66.—The Route 66 Study Act of 1990 (Public Law 101–400; 104 Stat. 861) is repealed.

(i) REPORT ON ANTHRACITE MINE WATER CONTROL AND MINE SEALING AND FILLING PROGRAM.—The Act entitled ''An Act to provide for the conservation of anthracite coal resources through measures of flood control and anthracite mine drainage, and for other purposes'', approved July 15, 1955, is amended—

(1) by striking section 5 (30 U.S.C. 575); and

(2) by redesignating section 6 (30 U.S.C. 576) as section 5.

(j) AUDIT OF FEDERAL ROYALTY MANAGEMENT SYSTEM.—

(1) IN GENERAL.—Section 302 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1752) is amended—

(A) in subsection (a), by striking ''(a)''; and

(B) by striking subsection (b).

(2) CONFORMING AMENDMENT.—Section 304(c) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1753(c)) is amended by striking ''Except as expressly provided in subsection 302(b), nothing'' and inserting ''Nothing''.

(k) REPORT ON BIDDING OPTIONS FOR OIL AND GAS LEASES ON OUTER CONTINENTAL SHELF LAND.—Section 8(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)) is amended by striking paragraph (9).

(l) REPORTS ON OUTER CONTINENTAL SHELF LEASING AND PRODUCTION PROGRAM AND PROMOTION OF COMPETITION IN LEASING.—

(1) IN GENERAL.—Section 15 of the Outer Continental Shelf Lands Act (43 U.S.C. 1343) is repealed.

(2) CONFORMING AMENDMENT.—Section 22 of the Outer Continental Shelf Lands Act (43 U.S.C. 1348) is amended by striking subsection (g).

(m) AUDIT OF FINANCIAL REPORT OF GOVERNOR OF GUAM.—The sixth undesignated paragraph of section 6 of the Organic Act of Guam (48 U.S.C. 1422) is amended by striking the third and fifth sentences.

(n) AUDIT OF FINANCIAL REPORT OF GOVERNOR OF THE VIRGIN ISLANDS.—The fourth undesignated paragraph of section 11 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1591) is amended by striking the third and fifth sentences.

(o) AUDIT OF FINANCIAL REPORT OF GOVERNOR OF AMERICAN SAMOA.—Section 501(a) of Public Law 96–205 (48 U.S.C. 1668(a)) is amended by striking the third and fifth sentences.

(p) AUDIT OF FINANCIAL REPORT OF CHIEF EXECUTIVES OF CERTAIN TERRITORIES.—Section 5 of Public Law 92–257 (48 U.S.C. 1692) is amended by striking the third and fifth sentences.

(q) REPORT ON ACTIVITIES UNDER HELIUM ACT.—Section 16 of the Helium Act (50 U.S.C. 167n) is repealed.

(r) REPORT ON CONTRACT AWARDS MADE TO FACILITATE NATIONAL DEFENSE.—

(1) IN GENERAL.—Public Law 85–804 is amended—

(A) by striking section 4 (50 U.S.C. 1434); and

(B) by redesignating section 5 (50 U.S.C. 1435) as section 4.

(2) CONFORMING AMENDMENT.—Section 502(a)(6) of the National Emergencies Act (50 U.S.C. 1651(a)(6)) is amended by striking ''1431–1435'' and inserting ''1431 et seq.''.

SEC. 902. REPORTS MODIFIED.

(a) RECOMMENDATIONS ON PROSPECTIVE TIMBER SALES.—The first sentence of section 318(h) of Public Law 101–121 (103 Stat. 750) is amended by striking ''a monthly basis'' and inserting ''an annual basis''.

(b) REPORT ON NATIONWIDE GEOLOGIC MAPPING PROGRAM.—Section 8 of the National Geologic Mapping Act of 1992 (43 U.S.C. 31g) is amended—

(1) in the section heading, by striking ''**ANNUAL**'' and inserting ''**BIENNIAL**''; and

(2) in the first sentence—

(A) by striking ''each fiscal year, submit an annual report'' and inserting ''each second fiscal year, submit a biennial report''; and

(B) by striking ''preceding fiscal year'' and inserting ''2 preceding fiscal years''.

TITLE X—DEPARTMENT OF JUSTICE

SEC. 1001. REPORTS ELIMINATED.

(a) EMERGENCY LAW ENFORCEMENT ASSISTANCE REPORT.—Section 609U of the Justice Assistance Act of 1984 (42 U.S.C. 10509) is repealed.

(b) DIVERSION CONTROL FEE ACCOUNT REPORT.—Section 111(b) of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1993 (21 U.S.C. 886a) is amended by striking paragraph (5).

(c) DAMAGE SETTLEMENT REPORT.—Section 3724 of title 31, United States Code, is amended—

(1) by striking subsection (b); and

(2) by redesignating subsection (c) as subsection (b).

(d) BANKING LAW OFFENSE REPORT.—Section 8(u) of the Federal Deposit Insurance Act (12 U.S.C. 1818(u)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) through (8) as paragraphs (3) through (7), respectively.

(e) BANKING LAW OFFENSE REWARDS REPORT.—Section 2571 of the Crime Control Act of 1990 (12 U.S.C. 4211) is repealed.

(f) BANKING INSTITUTIONS SOUNDNESS REPORT.—Section 1542 of the Housing and Community Development Act of 1992 (12 U.S.C. 1831m–1) is amended by striking subsection (e).

TITLE XI—NASA

SEC. 1101. REPORTS ELIMINATED.

(a) ACTIVITIES OF THE NATIONAL SPACE GRANT COLLEGE AND FELLOWSHIP PROGRAM.—Section 212 of the National Space Grant College and Fellowship Act (42 U.S.C. 2486j) is repealed.

(b) NOTIFICATION OF PROCUREMENT OF LONG-LEAD MATERIALS FOR SOLID ROCKET MONITORS ON OTHER THAN COOPERATIVE BASIS.—Section 121 of the National Aeronautics and Space Administration Authorization Act of 1988 (101 Stat. 869) is amended by striking subsection (d).

(c) CAPITAL DEVELOPMENT PLAN FOR SPACE STATION PROGRAM.—Section 107 of the National Aeronautics and Space Administration Authorization Act of 1988 (101 Stat. 864) is repealed.

(d) NOTICE OF MODIFICATION OF NASA.—

(1) 1985 ACT.—Section 103 of the National Aeronautics and Space Administration Authorization Act, 1985 (98 Stat. 424) is repealed.

(2) 1986 ACT.—Section 103 of the National Aeronautics and Space Administration Authorization Act of 1986 (99 Stat. 1014) is repealed.

(e) EXPENDITURES EXCEEDING ASTRONOMY PROGRAM.—Section 104 of the National Aeronautics and Space Administration Authorization Act, 1984 (97 Stat. 284) is repealed.

(f) PROPOSED DECISION OR POLICY CONCERNING COMMERCIALIZATION.—Section 110 of the National Aeronautics and Space Administration Authorization Act, 1984 (42 U.S.C. 2465) is repealed.

(g) JOINT FORMER SOVIET UNION STUDIES IN BIOMEDICAL RESEARCH.—Section 605 of the National Aeronautics and Space Administration Authorization Act, Fiscal Year 1993 (42 U.S.C. 2487d) is repealed.

TITLE XII—NUCLEAR REGULATORY COMMISSION

SEC. 1201. REPORTS ELIMINATED.

(a) REPORT OF ADVISORY COMMITTEE ON REACTOR SAFEGUARDS.—Section 29 of the Atomic Energy Act of 1954 (42 U.S.C. 2039) is amended by striking the sixth and seventh sentences.

(b) REPORT ON THE PRICE-ANDERSON ACT.—Section 170 p. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(p)) is amended—

(1) by striking ''(1)''; and

(2) by striking paragraph (2).

SEC. 1202. REPORTS MODIFIED.

Section 1701(b)(1) of the Atomic Energy Act of 1954 (42 U.S.C. 2297f(b)(1)) is amended—

(1) by striking ''The Nuclear'' and inserting ''Not later than the date on which a certificate of compliance is issued under subsection (c), the Nuclear''; and

(2) by striking ''at least annually''.

TITLE XIII—OMB AND OPM

SEC. 1301. OMB.

(a) FEDERAL CIVIL PENALTIES INFLATION ADJUSTMENT ACT OF 1990.—The Federal Civil Penalties Inflation Adjustment Act of 1990 (Public Law 101–410; 28 U.S.C. 2461 note) is amended by—

(1) striking section 6; and

(2) redesignating section 7 as section 6.

(b) VOLUNTARY CONTRIBUTIONS BY THE UNITED STATES TO INTERNATIONAL ORGANIZATIONS.—Section 306 of the Foreign Assistance Act of 1961 (22 U.S.C. 2226) is amended by—

(1) striking ''(a) The'' and inserting ''The''; and

(2) striking subsection (b).

(c) PROMPT PAYMENT ACT.—

(1) IN GENERAL.—Section 3906 of title 31, United States Code, is repealed.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Section 3901(c) of such title is amended by striking '', except section 3906 of this title,''.

(B) Section 3902(b) of such title is amended by striking ''Except as provided in section 3906 of this title, the'' and inserting ''The''.

(C) The table of sections for chapter 39 of such title is amended by striking the item relating to section 3906.

(d) TITLE 5.—Section 552a(u) of title 5, United States Code, is amended—

(1) by striking paragraph (6); and

(2) by redesignating paragraph (7) as paragraph (6), and in that redesignated paragraph by striking ''paragraphs (3)(D) and (6)'' and inserting ''paragraph (3)(D)''.

SEC. 1302. OPM.

(a) ADMINISTRATIVE LAW JUDGES.—Section 1305 of title 5, United States Code, is amended by striking ''require reports by agencies, issue reports, including an annual report to Congress,''.

(b) FEDERAL EMPLOYEE RETIREMENT AND BENEFITS.—

(1) IN GENERAL.—Section 1308 of title 5, United States Code, is repealed.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—(A) The table of sections for chapter 13 of title 5, United States Code, is amended by striking the item relating to section 1308.

(B) Chapter 47 of title 5, United States Code, is amended—

(i) by striking section 4705 and redesignating section 4706 as section 4705; and

(ii) in the analysis at the beginning of the chapter by striking the items relating to sections 4705 and 4706 and inserting the following:

''Sec. 4705. Regulations.''.

(c) CIVIL SERVICE RETIREMENT AND DISABILITY FUND.—Section 8348(g) of title 5, United States Code, is amended by striking the third sentence.

(d) PLACEMENT OF NON-INDIAN EMPLOYEES.—Section 2(e) of the Act of December 5, 1979 (25 U.S.C. 472a(e); Public Law 96–135; 93 Stat. 1058) is amended—

(1) by striking ''(1)'' after ''(e)''; and

(2) by striking paragraph (2).

TITLE XIV—TRADE

SEC. 1401. REPORTS ELIMINATED.

(a) COFFEE TRADE.—

(1) Section 5 of the International Coffee Agreement Act of 1980 (19 U.S.C. 1356n) is repealed.

(2) Section 4 of the International Coffee Agreement Act of 1980 (19 U.S.C. 1356m) is repealed.

(b) TRADE ACT OF 1974.—

(1) Section 126 of the Trade Act of 1974 (19 U.S.C. 2136(c)) is amended—

(A) by repealing subsection (c); and

(B) by redesignating subsection (d) as subsection (c).

(2) Section 411 of the Trade Act of 1974 (19 U.S.C. 2441), and the item relating to that section in the table of contents for that Act, are repealed.

(c) URUGUAY ROUND AGREEMENTS ACT.—Section 424 of the Uruguay Round Agreements Act (19 U.S.C. 3622), and the item relating to that section in the table of contents contained in section 1(b) of that Act, are repealed.

(d) RESTRICTIONS ON EXPENDITURES.—Section 109(c)(3) of Public Law 100–202 (101 Stat. 1329–435; 41 U.S.C. 10b note) is amended—

(1) in subparagraph (A) by striking ''and'' after the semicolon;

(2) in subparagraph (B) by striking ''; and'' and inserting a period; and

(3) by repealing subparagraph (C).

TITLE XV—DEPARTMENT OF TRANSPORTATION

SEC. 1501. REPORTS ELIMINATED.

(a) REPORTS ABOUT GOVERNMENT PENSION PLANS.—Section 9503 of title 31, United States Code, is amended by striking subsection (a).

(b) TRANSPORTATION AIR QUALITY REPORT.—Section 108(f) of the Clean Air Act (42 U.S.C. 7408(f)) is amended by striking paragraphs (3) and (4).

(c) INDIAN RESERVATION ROADS STUDY.—Section 1042 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1993) is repealed.

(d) STUDY OF IMPACT OF CLIMATIC CONDITIONS.—Section 1101–1102 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027) is repealed.

(e) BUMPER STANDARDS.—

(1) IN GENERAL.—Section 32510 of title 49, United States Code, is repealed.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 325 of title 49, United States Code, is amended by striking the item relating to section 32510.

(f) HIGHWAY SAFETY.—Section 202 of the Highway Safety Act of 1966 (80 Stat. 736; 23 U.S.C. 401 note) is repealed.

(g) PROJECT REVIEW.—Section 5328(b) of title 49, United States Code, is amended by striking paragraph (3).

(h) SUSPENDED LIGHT RAIL SYSTEM TECHNOLOGY.—Section 5320 of title 49, United States Code, is amended by striking subsection (k).

SEC. 1502. REPORTS MODIFIED.

(a) COAST GUARD REPORT ON MAJOR ACQUISITION PROJECTS.—Section 337 of the Department of Transportation and Related Agencies Appropriations Act, 1993 (106 Stat. 1551) is amended—

(1) by striking ''quarterly'' and inserting ''biannual''; and

(2) in the last proviso, by striking ''preceding quarter'' and inserting ''preceding 6-month period''.

(b) AVIATION SECURITY REPORT.—Section 44938 of title 49, United States Code, is amended—

(1) in the second sentence of subsection (a)—

(A) by striking ''annual'' and inserting ''biennial''; and

(B) by inserting ''in each year the Administrator submits the biennial report'' before the comma;

(2) in subsection (b) by striking ''annually'' and inserting ''biennially''; and

(3) by striking subsection (c).

(c) REPORT ON PUBLIC TRANSPORTATION.—Section 308(e)(1) of title 49, United States Code, is amended by striking ''submit a report to Congress in January of each even-numbered year'' and inserting ''submit to Congress in March 1998, and in March of each even-numbered year thereafter, a report''.

(d) NATIONAL BALLAST INFORMATION CLEARINGHOUSE.—Section 1102(f)(2) of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4712(f)(2)) is amended by striking ''biannual'' and inserting ''biennial''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from Ohio (Mr. KUCINICH) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

GENERAL LEAVE

Mr. HORN. Mr. Speaker, I ask unanimous consent that all Members may have the remaining legislative days to revise and extend their remarks on S. 1364, as amended.

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

There was no objection.

Mr. HORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, over the years, Congress has placed numerous reporting requirements on Federal agencies. This has resulted in a flood of paper pouring into Congress, hundreds of Federal reports every month.

Many of these reports are quite useful, even critical to advise Congress and its Members of the status of Federal programs and to inform legislative and funding decisions.

Other reports, however, sit on our committee shelves collecting dust or are thrown away unread because they are outdated or they are useless to the current work of Congress.

This, Mr. Speaker, is a needless waste of taxpayer money and, I might add, a needless waste of our forests in the Northwest, Southeast, and Northeast. It is better to have trees living than piles and miles of dead paper.

The purpose of S. 1364, the Federal Reports Elimination Act of 1998, is to eliminate or modify congressionally mandated Federal agency reports that are redundant, obsolete, or otherwise unnecessary.

After the Senate bill was thoroughly scrutinized by every House committee, a very laborious process that took all summer, we are pleased to put forward a modified bill that consists of 132 reports slated for elimination or modification. I thank the other committees for their cooperation. The result is one of which we can all be proud.

The Congressional Budget Office has estimated that efficiencies created with this bill will result in saving millions of Federal taxpayer dollars over the next 5 years. I might add that the Congressional Budget Office does not count trees, but we are also going to save thousands of trees as a result of this legislation.

Mr. Speaker, this is common sense, money saving legislation. I urge my colleagues to give this measure their full support.

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

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume.

(Mr. KUCINICH asked and was given permission to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, I am pleased to support the amendment and passage of the Federal Reports Elimination Act of 1998. I want to congratulate Senator MCCAIN and Senator LEVIN for their hard work and persistence in bringing this bill to the floor.

I also commend the chairman and ranking minority member of the Committee on Government Reform and Oversight for the bipartisan spirit with which we address this bill in the House.

Mr. Speaker, this is not a glamorous piece of legislation. I suspect it will not be in tomorrow's newspapers. As a matter of fact, when it was announced by the Clerk, I think the gallery was cleared out. But it is a necessary part of our responsibility as legislators.

Every Congress, we authorize hundreds of reports. Few of those reports are terminated in the authorizing legislation, and yet we rarely go back and ask which reports are still needed.

As a result, each year, hundreds of Federal employees spend thousands of hours writing reports that get sent through Congress to the recycling bin. Many are never opened. Today we are making an effort to end some of that waste and to set free so many of our Federal employees from these kinds of tasks.

This legislation has asked the difficult question: Which of the many reports authorized by Congress are still needed? Today, by passing this legislation, we will eliminate almost 200 reports, saving almost $1 million in 1999 and almost a half a million dollars each year thereafter.

Mr. Speaker, I urge my colleagues to support this bill.

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

Mr. HORN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. HORN asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. HORN. Mr. Speaker, while culling through scores and scores of reports is a cumbersome and time-consuming process for Congress, efforts such as this are necessary to reduce the Federal paperwork burden and streamline the information flowing from the agencies to Congress.

S. 1364, as amended, represents one of the many ways this Congress has tried to reduce wasteful spending and to be more accountable to the taxpayers.

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

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous material, at this point in the RECORD.

S. 1364—SECTION-BY-SECTION ANALYSIS

TITLE I, SECTION 101 WOULD ELIMINATE THE FOLLOWING DEPARTMENT OF AGRICULTURE REPORTS

Secondary Market Operations.

Estimate of Second Preceding Month's Expenditures Under Food Stamp Program.

Advisory Committees.

Farmer-to-Consumer Direct Market Act of 1976.

Agricultural Research at Land-Grant Colleges.

Foreign Ownership of Agricultural land.

International Sugar Agreement.

Housing Preservation Grant Program.

National Advisory Council on Maternal, Infant, and Fetal Nutrition.

TITLE II, SECTION 201 WOULD ELIMINATE THE FOLLOWING NATIONAL OCEANOGRAPHIC AND ATMOSPHERIC AGENCY REPORTS

Prices for Nautical and Aeronautical Products.

National Shellfish Research Program.

TITLE III, SECTION 301 WOULD ELIMINATE THE REPORT REQUIREMENT OF

Section 1411 of the Higher Education Amendments of 1992 for the Department of Education.

TITLE IV, SECTION 401 WOULD ELIMINATE THE FOLLOWING DEPARTMENT OF ENERGY REPORTS

Resumption of Plutonium Operations at Rocky Flats.

Electric Utility Participation.

Vibration Reduction Technologies.

Process-Oriented Industrial Energy Efficiency.

Industrial Insulation and Audit Guidelines.

Use of Energy Futures for Fuel Purchases.

Implementation of the Alaska Federal Civilian Energy Efficiency Swap Act of 1980.

Section 402 would modify the following Department of Energy reports

Plan for Electric Motor Vehicles.

Coke Oven Production Technology.

TITLE V, SECTION 501 WOULD ELIMINATE THE FOLLOWING ENVIRONMENTAL PROTECTION AGENCY REPORTS

Effect of Pollution on Estuaries and Estuarine Zones.

Clean Lakes.

Nonpoint Source Management Programs.

Measures Taken to Meet Objectives of Federal Water Pollution Control Act.

Environmental Problems Associated with Improper Disposal or Reuse of Oil.

State and Local Training Needs and Obstacles to Employment in Solid Waste Management and Resource Recovery.

National Advisory Commission on Resource Conservation and Recovery.

Medical Waste Management.

Status of Demonstration Program to Test Methods and Technologies of Reducing or Eliminating Radon Gas.

TITLE VI, SECTION 601 WOULD ELIMINATE THE FOLLOWING DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) REPORTS

National Institutes of Health on Administrative Expenses.

National Diabetes Advisory Board.

National Digestive Diseases Advisory Board.

National Kidney and Urologic Diseases Advisory Board.

Arthritis and Musculoskeletal and Skin Diseases Interagency Coordinating Committee.

Health Services Research.

Family Planning and Population Research.

National Vaccine Program.

Radiation Control for Health and Safety.

Tribal Organization Demonstration Program for Direct Medicare Billing.

Public Health Service.

Eligibility for Indian Health Care Services.

Council on Alzheimer's Disease.

Internatinal Health Research.

Adjustment of Hospital Wage Indices, FY 1989.

Proposal for Payment of Home Health Services.

Long-Term Health Care Policies.

Separate Average Standardized Amounts.

Visit Code Modification Study.

NAIC Model Transition Regulation.

Payment for Chemotherapy in Physicians Offices.

Section 602 would modify the following HHS reports

Indian Alcohol Programs.

Staffing Requirements in Nursing Facilities.

State Health Care Grants on Adequate Health Care Coverage.

TITLE VII, SECTION 701 WOULD ELIMINATE THE FOLLOWING DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT REPORTS

Funding Relating to Evaluating and Monitoring Programs.

State and Local Strategies for Removal of Barriers to Affordable Housing.

Comprehensive Review and Evaluation of Homeless Assistance Programs.

Neighborhood Redevelopment Program.

Home Ownership Demonstration Program.

Rural Rental Rehabilitation Demonstration.

Activities Under New Town Demonstration.

TITLE VIII, SECTION 801 WOULD ELIMINATE OR MODIFY THE FOLLOWING INDIAN AFFAIRS REPORTS

Indian Child Protection and Family Violence Prevention.

Indian Loan Guaranty and Insurance Fund Deficiencies.

Demonstration Projects.

National Criteria For Dormitory Situations.

Positions Contracted Under Grants of Post-Differential Authority in BIA Schools.

Indian Education.

Tribally Controlled Schools.

Indian Preference Positions.

Native Americans Education Assistance Act.

Indian Self Determination and Education Assistance Act.

TITLE IX, SECTION 901 WOULD ELIMINATE THE FOLLOWING DEPARTMENT OF THE INTERIOR REPORTS

Pacific Yew Act.

Size and Condition of the Tule Elk Herd in California.

Water Quality of the Sacramento-San Joaquin Delta and San Francisco Bay Estuarine Systems.

Colorado River Floodway Maps.

Certification of Adequate Soil Survey of Land Classification.

Claims Submitted from the Teton Dam Failure.

Feasibility and Suitability of Establishing Niobrara-Buffalo Prairie National Park.

Route 66.

Anthracite Mine Water Control and Mine Sealing and Filling Program.

Audit of Federal Royalty Management System.

Bidding Option for Oil and Gas Leases on Outer Continental Shelf Land.

Outer Continental Shelf Leasing and Production Program and Promotion of Competition in Leasing.

Audit of Financial Report of Governor of Guam.

Audit of Financial Report of Governor of Virgin Islands.

Audit of Financial Report of Governor of American Samoa.

Audit of Financial Report of Chief Executives of Certain Territories.

Activities Under Helium Act.

Contract Awards Made to Facilitate National Defense.

Section 902 would modify the following Interior Department reports

Recommendations on Prospective Timber Sales.

Nationwide Geologic Mapping Program.

TITLE X, SECTION 1001 WOULD ELIMINATE THE FOLLOWING DEPARTMENT OF JUSTICE REPORTS

Emergency Law Enforcement Assistance.
Diversion Control Fee Account.
Damage Settlement.
Banking Law Offenses.
Banking Law Offense Rewards.
Banking Institutions Soundness.

TITLE XI, SECTION 1101 WOULD ELIMINATE THE FOLLOWING NASA REPORTS

Activities of the National Space Grant and Fellowship Program.
Notification of Procurement of Long-Lead Materials for Solid Rocket Monitors on Other Than Cooperative Basis.
Capital Development Plan for Space Station Program.
Notice of Modification of NASA.
Expenditures Exceeding Astronomy Program.
Proposed Decision or Policy Concerning Commercialization.
Joint Former Soviet Union Studies in Biomedical Research.

TITLE XII, SECTION 1201 WOULD ELIMINATE THE FOLLOWING NUCLEAR REGULATORY COMMISSION REPORTS

Advisory Committee on Reactor Safeguards.
Price-Anderson Act.

Section 1202 would modify the following Nuclear Regulatory Commission report

Status of Health, Safety, and Environmental Conditions at the Gaseous Diffusion Uranium Enrichment Facilities of NRC.

TITLE XIII, SECTIONS 1301 AND 1302 WOULD ELIMINATE THE FOLLOWING OMB AND OPM REPORTS

Federal Civil Penalties Inflation Adjustment Act of 1990.
Voluntary Contributions by the United States to International Organizations.
Prompt Payment Act.
Data Integrity Boards.
Administrative Law Judges.
Federal Employee Retirement and Benefits.
Civil Service Retirement and Disability Fund.
Placement of Non-Indian Employees.

TITLE XIV, SECTION 1401 WOULD ELIMINATE THE FOLLOWING: TRADE AGENCY REPORTS

Coffee Trade.
Recommendations for Legislation.
East-West Foreign Trade Board.
Uruguay Round Agreements Act.
Restrictions on Expenditures.

TITLE XV, SECTION 1501 WOULD ELIMINATE THE FOLLOWING DEPARTMENT OF TRANSPORTATION REPORTS

Government Pension Plans.
Transportation Air Quality.
Indian Reservation Roads.
Impact of Climatic Conditions.
Bumper Standards.
Highway Safety.
Project Review.
Suspended Light Rail System Technology.

Section 1502 would modify the following Transportation Department reports

Coast Guard Majority Acquisition Projects.
Aviation Security.
Public Transportation.
National Ballast Information Clearinghouse.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and pass the Senate bill, S. 1364, as amended.

The question was taken.

Mr. KUCINICH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 214. Concurrent resolution recognizing the contributions of the cities of Bristol, Tennessee, and Bristol, Virginia, and their people to the origins and development of Country Music, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 700. An act to remove the restriction on the distribution of certain revenues from the Mineral Springs parcel to certain members of the Agua Caliente Band of Cahuilla Indians.

H.R. 2327. An act to provide for a change in the exemption from the child labor provisions of the Fair Labor Standards Act of 1938 for minors who are 17 years of age and who engage in the operation of automobiles and trucks.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles in which the concurrence of the House is requested:

S. 1642. An act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

S. 1722. An act to amend the Public Health Service Act to revise and extend certain program with respect to women's health research and prevention activities at the National Institutes of Health and the Centers for Disease Control and Prevention.

S. 2116. An act to clarify and enhance the authorities of the Chief Information Officer of the Department of Agriculture.

S. Con. Res. 123. Concurrent resolution to express the sense of Congress regarding the policy of the Forest Service toward recreational shooting and archery ranges on Federal land.

The message also announced, that pursuant to Public Law 100–696, the Chair, on behalf of the Democratic Leader, announces the appointment of the Senator from North Dakota (Mr. DORGAN) as a member of the United States Capitol Preservation Commission.

□ 1230

YEAR 2000 PREPAREDNESS ACT OF 1998

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4756) to ensure that the United States is prepared to meet the Year 2000 computer problem, as amended.

The Clerk read as follows:

H.R. 4756

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Year 2000 Preparedness Act of 1998''.

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) the term ''end-to-end testing'' means testing data exchange software with respect to—

(A) the initiation of the exchange by sending computers;

(B) transmission through intermediate communications software and hardware; and

(C) receipt and acceptance by receiving computers;

(2) the term ''small and medium-sized businesses'' means businesses with less than 500 employees;

(3) the term ''Year 2000 compliant'' means, with respect to information technology, that the information technology accurately processes (including calculating, comparing, and sequencing) date and time data from, into, and between the 20th and 21st centuries and the years 1999 and 2000, and leap year calculations, to the extent that other information technology properly exchanges date and time data with it;

(4) the term ''Year 2000 computer problem'' means, with respect to information technology, any problem which prevents such technology from accurately processing, calculating, comparing, or sequencing date or time data—

(A) from, into, or between—

(i) the 20th and 21st centuries; or

(ii) the years 1999 and 2000;

(B) with regard to leap year calculations; or

(C) with regard to such other dates as the Year 2000 Conversion Council may identify and designate; and

(5) the term ''Year 2000 Conversion Council'' means the President's Council on Year 2000 Conversion established under section 2 of Executive Order No. 13073, issued on February 4, 1998;

SEC. 3. CRITICAL GOVERNMENT SERVICES.

The President shall provide for the acceleration of the development of business continuity plans by Federal agencies necessary to ensure the uninterrupted delivery by those agencies of critical mission-related services.

SEC. 4. SENSE OF CONGRESS.

It is the sense of the Congress that—

(1) the President should take a high profile national leadership position to aggressively promote Year 2000 date change awareness for information technology systems and sensitive infrastructure applications;

(2) the President should authorize the Chair of the Year 2000 Conversion Council to take a leadership role in resolving Year 2000 issues in any critical Federal civilian agency system that is in jeopardy because of ineffective management of not meeting the January 1, 2000, deadline with respect to the Year 2000 computer problem;

(3) consistent with the spirit of the Government Performance and Results Act of 1993, the Chair of the Year 2000 Conversion

Council, in consultation with the President's Council on Infrastructure Assurance, officers of the Federal Government and of State and local governments, and representatives of the private sector, should work toward a national strategy to assure that the critical infrastructures and key sectors of the economy will be prepared for the Year 2000 date change, with such strategy including, for each sector, goals appropriate to each;

(4) the Chair of the Year 2000 Conversion Council is making a significant contribution to Year 2000 computer problem awareness by scheduling a National Y2K Action Week for October 19 through 23, 1998;

(5) the Small Business Administration, the Department of Commerce, the Department of Agriculture, and other appropriate Federal agencies should undertake maximum efforts to assist American family businesses and farmers in assessing their exposure to the Year 2000 computer problem, undertaking the necessary remedial steps, and formulating contingency plans; and

(6) State and local governments, as well as private sector industry groups and companies, should find ways to participate in this effort to prepare the American economy for the year 2000.

SEC. 5. AGENCY REPORTS.

All Federal agency reports to the Office of Management and Budget relating to the Year 2000 computer problem shall be concurrently transmitted to the Congress, including all Federal agency monthly submissions to the Office of Management and Budget.

SEC. 6. GUIDELINES.

The Chair of the Year 2000 Conversion Council is encouraged to develop, in consultation with industry, guidelines of best practices and standards for remediation and validation with respect to the Year 2000 computer problem to provide better direction for government and private sector efforts.

SEC. 7. NATIONAL ASSESSMENT OF YEAR 2000 COMPUTER PROBLEM.

The Chair of the Year 2000 Conversion Council shall submit to the Congress any national assessment of the Year 2000 computer problem, conducted through or in conjunction with the Year 2000 Conversion Council, covering all critical national infrastructures and key sectors of the economy, including banking and finance, energy, telecommunications, transportation, and vital human services which protect the public health and safety, the water supply, housing and public buildings, and the environment.

SEC. 8. FEDERAL AGENCY ACTIONS.

To ensure that all computer operations and processing can be provided without interruption by Federal agencies after December 31, 1999, the head of each Federal agency shall—

(1) take actions necessary to ensure that all systems and hardware administered by the agency are Year 2000 compliant, to the extent necessary to ensure that no significant disruption of the operations of the agency or of the agency's data exchange partners occurs, including—

(A) establishing, before March 1, 1999, schedules for testing and implementing new data exchange formats for completing all data exchange corrections, which may include national test days for end-to-end testing of critical processes and associated data exchanges affecting Federal, State, and local governments;

(B) notifying data exchange partners of the implications to the agency and the exchange partners if they do not make appropriate date conversion corrections in time to meet the Federal schedule for implementing and testing Year 2000 compliant data exchange processes;

(C) giving priority to installing filters necessary to prevent the corruption of mission-critical systems from data exchanges with noncompliant systems; and

(D) developing and implementing, as part of the agency's continuity and contingency planning efforts, specific provisions for data exchanges that may fail, including strategies to mitigate operational disruptions if data exchange partners do not make timely date conversion corrections;

(2) beginning not later than 30 days after the date of the enactment of this Act, convene meetings at least quarterly with representatives of the agency's data exchange partners to assess implementation progress; and

(3) after each meeting convened pursuant to paragraph (2), transmit to the Congress a report summarizing—

(A) the results of that meeting; and

(B) the status of the agency's completion of key data exchange corrections, including the extent of data exchange inventoried, an assessment of data exchange formats agreed to with data exchange partners, testing and implementation schedules, and testing and implementation completed.

SEC. 9. ASSISTANCE FOR SMALL AND MEDIUM-SIZED BUSINESSES.

To ensure that the Nation's small and medium-sized businesses are prepared to meet the Year 2000 computer problem challenge, the National Institute of Standards and Technology, in conjunction with the Small Business Administration, shall develop a Year 2000 compliance outreach program to assist small and medium-sized businesses. Such program shall include—

(1) the development of a Year 2000 self-assessment checklist;

(2) an explanation of the Year 2000 computer problem and an identification of best practices for resolving the problem;

(3) a list of Federal Government Year 2000 information resources; and

(4) a list of Year 2000 compliant products provided by the General Services Administration.

SEC. 10. CONSUMER AWARENESS.

To ensure that the Nation's consumers are aware of and prepared to meet the Year 2000 computer problem challenge, the Under Secretary of Commerce for Technology, in consultation with the Consumer Product Safety Commission and the Federal Trade Commission, shall develop a Year 2000 consumer awareness program to assist the public in becoming aware of the implications of the Year 2000 computer problem. Such program shall include—

(1) the development of a Year 2000 self-assessment checklist;

(2) a list of Federal Government Year 2000 computer problem information resources;

(3) a list of Year 2000 compliant products provided by the General Services Administration;

(4) a series of public awareness announcements or seminars on the impact of the Year 2000 computer problem on consumer products and services; and

(5) a series of public awareness announcements or seminars on the potential effect that the Year 2000 computer problem could have on the provision of services by the Federal Government to the public, and the progress made in resolving the problem by the Federal agencies providing those services.

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Michigan (Mr. BARCIA) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 4756.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think we all know the dangers that lurk around the corner if we fail to take the action necessary to fix the Year 2000 computer problem. We all know that time is running out. We are competing in a race against time to avert an impending computer catastrophe. If we do not act fast, we will be ringing in the beginning of the new millennium with the mother of all computer glitches. If computers around the world will think that it is the Year 1900 when it is the Year 2000, millions of computer programs as well as products that use a computer microchip may be in jeopardy, billions of dollars may be lost and just about every human on the planet will be affected. Affected will be critical government functions such as air traffic control systems, veterans' benefits, Social Security and student loans, as well as the everyday conveniences of modern life, like home security systems, video recorders and elevators in high-rise buildings. Additionally our energy utilities, the financial service industry, the telecommunications industry, vital modes of transportation and virtually every critical indispensable industrial sector could be adversely affected. By failing to address the Y2K problem, our Nation is in danger of being plunged into a catastrophic economic recession with severe business disruptions in the delivery of essential government and private industry services.

We in Congress have been working diligently over the past 2½ years to raise the Nation's awareness and to push our Federal Government as well as State and local governments and private industry for immediate corrective action. We have aggressively pursued Year 2000 issues through legislation requiring a National Federal Y2K strategy and prohibiting the purchase of information technology which is not Y2K compliant. We have also conducted an ongoing series of hearings and provided attentive oversight on government and industry Y2K efforts. Yet despite all of our efforts we have great concern that our Nation may simply not be moving with the required alacrity to be Year 2000 compliant by the new millennium.

While the Federal agencies and the private sector have been scrambling to avert a disaster, our hearings and reports demonstrate they are not scrambling fast enough. If our Nation does not develop a greater sense of urgency and if we do not take immediate aggressive action, the Federal Government will be risking the delivery of vital services or functions that are

critical to the health, safety and welfare of the American public. With just 450 days before January 1, 2000, we need to take more direct action.

Since the Speaker established a House Year 2000 Task Force, which I cochair along with the gentleman from California (Mr. HORN) for the majority and with the gentleman from Michigan (Mr. BARCIA) and the gentleman from Ohio (Mr. KUCINICH) for the minority, we have been attempting to move our Nation's Year 2000 efforts forward. The creation of this task force underscores the House's commitment to correct the Y2K problem, and will begin to build on the extensive work the House has already started through the committees. The House Y2K Task Force is intended to coordinate all House initiatives and be the counterpart to the Senate Special Committee on the Year 2000 Technology Problem which is chaired by Senator BENNETT of Utah.

The formation of the House Y2K Task Force has allowed us to collaborate more effectively with our Senate colleagues to expedite oversight and legislative measures to ensure that both government and private industry are moving forward with the necessary dispatch to correct the problem in a timely manner. To that end, along with the assistance of the majority leader's office, we have been successful in engaging virtually every one of our committees to hold hearings reviewing the potential Y2K impact on agencies and programs within their jurisdiction. To this date the House has held over 40 hearings on the Year 2000. As a result, we have a well-documented need for taking the enhanced measures contained in H.R. 4756, the bill before us.

H.R. 4756 seeks to ensure that the United States is prepared to meet the Year 2000 computer problem. What the bill does is it urges the President to provide for the acceleration of business continuity plans to ensure uninterrupted delivery of Federal services and programs; it urges the President to take a high profile national leadership position to aggressively promote Y2K; it enhances congressional oversight by providing that all agency reports be submitted to Congress; it codifies certain recommendations made by the General Accounting Office regarding electronic data exchanges which GAO has identified as critical to Y2K compliance; it provides for Y2K assistance for small and medium-sized businesses; and it develops a Y2K consumer awareness program.

H.R. 4756 is essentially an amalgamation of three introduced Year 2000 bills and incorporates certain provisions from each bill. H.R. 4706 is included, the Year 2000 Preparedness Act, which I introduced; H.R. 4682, the Year 2000 Act, introduced by the gentleman from Michigan (Mr. BARCIA) the ranking member of the Subcommittee on Technology; and H.R. 3968, the National Year 2000 Critical Infrastructure Readiness Act, introduced by the gentleman from Iowa (Mr. LEACH), chair of the Committee on Banking and Financial Services. This is a very important bill that addresses a number of our concerns and problems.

Special thanks to our staff who helped enormously: Ben Wu, Joe Pinder, Cindy Sprunger, Harrison Fox and Mike Quear.

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

Mr. BARCIA. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentlewoman from Maryland for her comments.

Mr. Speaker, I rise today in strong support of H.R. 4756, the Year 2000 Preparedness Act. This legislation is the product, as has just been mentioned, of the bipartisan efforts of the Science, Banking and Government Reform and Oversight Committees. In addition, I want to commend Mr. Koskinen, chair of the President's Y2K Conversion Council, for working with us to craft legislation that we could bring to the floor expeditiously. Working together, we were able to address the need for greater Y2K information among consumers and small business. I want to also thank the gentlewoman from Maryland (Mrs. MORELLA) as well as the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAFALCE), the gentleman from California (Mr. HORN) and the gentleman from Ohio (Mr. KUCINICH) for including the provisions of H.R. 4682, a bill I introduced on a bipartisan basis with 11 of my colleagues last week. The provisions in H.R. 4682 have three very specific goals: First, to raise the consumer awareness and create a consumer Y2K checklist; secondly, to raise the Y2K awareness in small and medium-sized businesses; and, thirdly, to create a Y2K self-assessment checklist for the Nation's small and medium-sized companies as well as to require Federal agencies that have worked with outside entities to ensure that all date sensitive data exchanges are Year 2000 compliant.

As a member of the House Y2K Task Force and the ranking member on the Subcommittee on Technology, I have found that many people do not know how Y2K will impact them nor do they know what specific actions they can take to minimize the impact of the Y2K problem on their everyday lives. This bill requires the Under Secretary for Technology at the Department of Commerce in consultation with the Federal Trade Commission and the Consumer Protection Agency to develop a Year 2000 self-assessment checklist for consumers, provide a list of Federal Government Year 2000 computer problem resources, a list of Year 2000 compliant products provided by the GSA, and conduct a series of public awareness announcements or seminars on the impact of the Y2K problem on consumer products and services. These goals are consistent with the recommendations made by witnesses who have appeared before the Subcommittee on Technology. I am confident that with the right information, consumers will be able to make those decisions necessary to minimize the disruption the Y2K problem may pose.

The situation at small and medium-sized businesses mirrors that of consumers. The Nation's more than 381,000 small and medium-sized manufacturers contribute more than half of the country's total value in manufacturing. However, as of 1997, 88 percent of all companies with fewer than 2,000 employees had not yet started Year 2000 remediation projects. Small and medium-sized companies are an integral part of the business supply chain. They are increasingly reliant on computer applications for manufacturing operations, accounting and billing practices, and meeting just-in-time order and delivery concepts. To assist our small and medium-sized manufacturers in meeting the Y2K challenge, this bill requires that the National Institute of Standards and Technology's highly successful Manufacturing Extension Partnership program, working with the Small Business Administration, identify the best practices to attack the problem, develop a Year 2000 self-assessment checklist, and list all Federal Government Y2K resources including the General Service's listing of Y2K compliant products.

Federal agencies make thousands of date sensitive data exchanges every day. These data exchanges include Social Security and Medicare information, information related to the air traffic control system which the distinguished gentlewoman just mentioned so eloquently in her remarks, and other important financial transactions. Data exchange partners include State and local governments, Federal contractors and the private sector. As Federal computer systems are converted to process Year 2000 dates, the associated data exchanges must also be made Year 2000 compliant. The testing and implementation of Year 2000 compliant data exchanges must be closely coordinated with exchange partners. Agencies must not only test its own software but effective testing includes end-to-end testing and agreed-upon date formats with all exchange partners. If these Year 2000 data exchanges do not function properly, data will not be exchanged between systems or invalid data could cause receiving computer systems to malfunction. In other words, regardless of Federal efforts to fix its own computer systems, unless their data exchange partners have Y2K compliant systems, the computer network as a whole will fail.

A recent GAO report entitled ''Year 2000 Computing Crisis: Actions Needed on Electronic Data Exchanges'' found that Federal agencies have made little progress in addressing this data exchange issue. This legislation is based on these specific GAO recommendations and will help ensure that Federal agencies fully address the data exchange issue. This legislation also requires agencies to establish a test schedule with data exchange partners,

notify exchange partners of the implications and consequences of noncompliance, develop contingency plans and send a quarterly report to Congress outlining their progress.

With so much to be done before January 1, 2000, there is not much time to act. While we cannot legislate Y2K compliance, we must ensure the availability of good information so that consumers and small businesses are able to check existing products, make sure their equipment will work with other equipment and, most importantly, successfully address any Y2K problems in their operations. With this information in hand, I believe that the public and Congress will be able to make the right decisions and avoid the panic which is so often predicted in articles about the Y2K computer crisis. I urge my colleagues to support this badly needed bipartisan legislation.

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

Mrs. MORELLA. Mr. Speaker, I thank the gentleman from Michigan (Mr. BARCIA) for the kind of leadership and enthusiasm and energy he has put into trying to do something about this Y2K computer glitch.

Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. DAVIS) who really is in a dual capacity because he is a member of the Subcommittee on Technology of the Committee on Science and he is also a member of the Subcommittee on Government Management, Information, and Technology of Committee on Government Reform and Oversight and represents a high-technology community.

Mr. DAVIS of Virginia. Mr. Speaker, I rise in strong support of H.R. 4756, a bill that will help ensure that American citizens can count on the Federal Government and this administration to be ready for the Year 2000 computer problem.

Despite hearings held by the gentleman from California (Mr. HORN) beginning 2 years ago in the Subcommittee on Government Management, Information, and Technology and then in the Subcommittee on Technology chaired by the gentlewoman from Maryland (Mrs. MORELLA), we have really very little assurance today from the administration that the Federal Government is going to be able to ensure that critical public and private services will not be shut down at 12:01 a.m. on January 1, 2000.

□ 1245

Congress is taking a proactive role in keeping the focus on how much work remains to be done in resolving the Y2K problem, and this bill is another step in that direction. We recently passed the Year 2000 Information and Readiness Disclosure Act and sent the bill to the President in order to encourage businesses to share information that will help resolve the Y2K problems without fear of incurring civil liability. This was a major step. H.R. 4756 builds on this legislation by combining 3 Year 2000 bills that will make Federal efforts more cohesive in this regard. The bill urges the President to accelerate business continuity plans by taking steps to protect the uninterrupted delivery of Federal services and programs. It encourages the President to take a more high-profile role in promoting Y2K compliance because Americans need to know that this administration is providing leadership on one of the most important technical issues facing our economy. H.R. 4756 requires all Federal agencies to establish a testing schedule before March 1, 1999, to ensure that Y2K compliance of the agency as well as outside entities with which that agencies exchanges data are included. Most importantly, this legislation will ensure that all Americans are prepared for any Y2K related problems by requiring the Commerce Department to develop a consumer awareness program.

This problem goes back to the 6th century monk Dionysius Exigus, Dennis the Small, who invented the consecutive year calendar, and we were taught in high school that in the year 999 Christians and pagans were there cowering at the moon waiting for the end of the millennium and the fulfillment of scriptural prophecy, but we now know that did not happen because in the Year 999 about one-tenth of 1 percent of the population knew what year it was, let alone what day it is. The irony is that in the Year 2000 everybody is going to know what day and year it is except for the computers which run our lives. Thus we have come full circle unless we get this situation taken care of.

There is an extraordinary amount of work yet to be done. At this point Congress has a moral responsibility to do as much as we can to protect the smooth operation of agencies and their Y2K departments. While every Federal agency is now aware of the problem, the challenge now is to pick up the pace in the long process of fixing the problem. This legislation is critical to achieving our goals in this and achieving as many Y2K fixes as possible before then.

For this reason I want to urge all of my colleagues to support this legislation, and I wanted to particularly thank the gentlewoman from Maryland (Mrs. MORELLA) for swiftly bringing H.R. 4756 to the floor today.

Mr. BARCIA. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. LAFALCE), a senior member of the Committee on Banking and Financial Services.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, first of all I would like very much to congratulate the individuals who have spoken thus far and who will speak because they have taken a real leadership role: The gentlewoman from Maryland (Mrs. MORELLA), the gentleman from Michigan (Mr. BARCIA), the gentleman from Virginia (Mr. DAVIS), the gentleman from Ohio (Mr. KUCINICH), the gentleman from California (Mr. HORN), the gentleman from Iowa (Mr. LEACH), et cetera, a real leadership role in trying to cope with the extremely significant problems that could be posed by the Year 2000 problems.

The Year 2000 Readiness Act before us today is another in a series of bills aimed at fashioning a national strategy for curing this well known millennium bug. As all Members are now aware, this glitch threatens national disruptions in the entire computer grid, and this in turn could very adversely affect everything from the power supply to all financial transactions, and so I am happy to be a cosponsor of this legislation, the passage of which is now not objected to by the White House.

Additionally, I would point out that this bill is a bipartisan effort in which most of those Members who are heavily involved in Year 2000 issues have joined. Two weeks ago we enacted S. 2392, the Year 2000 Information Disclosure Act, a mirror of legislation which a number of us had cosponsored in July as H.R. 4355. That legislation set the stage to allow groups like the Institute of Electronic and Electrical Engineers to post massive bulletin boards on the Internet to let millions of computer users know about the millennium bug defects. Instead of tedious, expensive and time consuming searches for information on how to cure their computers, the business and consuming public can now quickly and efficiently locate and begin to fix their problems.

The currently pending measure lays out a further strategy which strengthens the role of the President's Year 2000 Conversion Council in dealing with the domestic and international situation. Under John Koskinen the council in the Executive Office of the President is doing yeoman work to banish the Y2K threat from our systems. The legislation also points the way toward improved performance reviews at all levels without imposing inflexible standards on the council to achieving such estimates. With these tools the council can measure, as it sees fit, how serious the inevitable shortfalls in preparation

for the beginning of the next millennium might be and make contingency plans to meet them.

While the bill itself is very meritorious, I want to point with some satisfaction to the bipartisan way it has been developed. I know the Year 2000 problem has always contained the seeds of a partisan division. Next year it will become a very hot issue as questions of liability, insurance and fault for Y2K failures emerge as we draw closer to the various deadlines. A number of cases have already been filed. My sincere hope is that this spirit of working together in the national interest, as we have in this bill, will continue to pervade the Y2K effort, and with the passage of this bill we move another step in the direction of preserving this spirit.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the comments of the gentleman from New York (Mr. LAFALCE). This is a good example of bipartisanship in the best interests of the American people.

Mr. Speaker, I yield 6 minutes to the very distinguished gentleman from Iowa (Mr. LEACH), who chairs the Committee on Banking and Financial Services ever so ably and has always been a mentor of mine.

Mr. LEACH. Mr. Speaker, I thank the gentlewoman from Maryland for yielding this time to me.

Mr. Speaker, I also rise in support of the Year 2000 Preparedness Act, and I would like to commend the chairwoman of the subcommittee, the gentlewoman from Maryland (Mrs. MORELLA), as well as the ranking member, the gentleman from Michigan (Mr. BARCIA), for bringing this bipartisan legislation to the floor. As one of the cosponsors of this new bill, I am pleased that it incorporates several aspects of H.R. 3968, the National Year 2000 Readiness Acts, which I introduced earlier this year along with my colleague on the other side of the aisle, the gentleman from New York (Mr. LAFALCE), as well as the chairmen of all five of the banking subcommittees.

There are over 20,000 financial institutions in the United States today. Millions of individuals as well as businesses depend as never before on technology, intensive banking and financial services. Americans are accustomed to timely access to their direct deposit paychecks and Social Security benefits. They use credit and debit cards for billions of dollars of commercial transactions each year, and most of us have long forgotten the days before we had easy access to 24-hour cash through ATMs.

We love the convenience of our 20th century technology. Unfortunately, as the American people are now coming to realize, our dependence on that technology has left us vulnerable to the Year 2000 computer bug. Because of this challenge, the Committee on Banking and Financial Services has held five hearings on the problem this year. During the course of our work the committee has broadened the authority of Federal thrift and credit union supervisors to examine data service providers for Year 2000 readiness and approve legislation to direct the Federal financial regulatory agencies to hold seminars for financial institutions and to provide model approaches for dealing with the year 2000 problem.

The good news is that after the establishment of timetables and benchmarks the five Federal financial regulatory agencies have testified that the vast majority of banks, thrifts and credit unions had earned satisfactory ratings during the first round of Year 2000 exams. Nevertheless, the Year 2000 issue remains not only a significant safety and soundness problem for banks, but unless comprehensively dealt with a potential precipitator of a global recession. While there is no guarantee that 100 percent of our financial institutions will be 100 percent compliant, Americans can be assured that their deposits in federally-insured financial institutions are protected up to the statutory limit in the event of a Year 2000 computer glitch.

There is no reason for the average American to panic and put savings in mattresses. Indeed, there has never been a greater case to save in secure federally-insured institutions.

While it would be irrational to assume that regulators will be on top of every detail of bank compliance, the Committee on Banking and Financial Services and numerous other committees of this body are doing everything we can to assure the public that their interest in welfare of the highest priority and that Year 2000 accountability is expected. When we first started working with Federal financial regulators on the issue, there was a great deal of discomfort among the agencies about their roles in the oversight intrusion of the Congress in this process. However, we strived to establish a constructive and cooperative relationship and believe that ultimately this oversight process is motivating parts of the government and private sector which may have been behind to catch up.

Clearly a great deal is being done to get the banking industry ready for the Year 2000. More than any other sector of our economy, financial institutions are being held accountable for performance and Year 2000 goals and timetables. However, it is not clear how well some of the other critical infrastructures are doing. We have a highly inter-dependent economy at home and abroad. Financial institutions are critically dependent on power and telecommunications infrastructures to deliver services to customers. A serious Year 2000 problem in any infrastructure industry will quickly become a Year 2000 problem for other industries.

We cannot let that happen. As with the banking industry, we need clear goals and measures for each critical infrastructure to build confidence that each is fixing the most important problems and each is achieving these goals in a timely fashion.

It was to address this concern that my colleague the gentleman from New York (Mr. LAFALCE) and I introduced the National Year 2000 Readiness Act to require the President's Year 2000 Conversion Council to assess the status of the nation's critical infrastructures and to develop a national strategy to make sure these infrastructures are up and operating when we get to January 2000. Unfortunately, the chairman of the President's Conversion Council had objections to aspects of this initiative. I disagreed with the council chairman's objections and am pleased that despite these objections, the spirit of the critical infrastructure initiatives is incorporated in a strong sense of Congress language in this bill. I would like, however, to take a moment to address the council chairman's objections because I believe it goes to the character of leadership and would like to read a portion of a letter I received from the council chairman which represents one of the starkest denials of public accountability I have seen in my 20 years in Congress. The sentence reads:

I think it unwise at this time for Congress to indicate that it and Executive Branch assume direct responsibility for failures in the private sector. That is not the precise purpose of our legislation, but administration concerns reveal a lot. It wants to avoid at all cost accountability for a problem that has huge public ramifications.

Mr. Speaker, we have here a contrast of two styles of leadership, that of the gentlewoman from Maryland (Mrs. MORELLA) on the one hand along with Mr. BENNETT in the Senate, and the other we have the President's representative who wants to avoid the establishment of potentially embarrassing public accountability. Leadership obligations should not and cannot be ducked. This bill, while modest in scope, is designed to establish greater private sector awareness and public sector accountability for a profound problem. I urge my colleagues to give it their unanimous support.

Mr. BARCIA. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. KUCINICH), who has expended a great amount of time and energy on this issue and who also is the ranking member on the Subcommittee on Government Management, Information and Technology.

Mr. KUCINICH. Mr. Speaker, I want to thank my colleague the gentleman from Michigan (Mr. BARCIA) for recognizing me and also thank my counterpart, the chairman of the Subcommittee on Government Management and Information Technology, the gentleman from California (Mr. HORN), for the many long hours that we have worked together on this matter. Chairman HORN has been exemplary in his willingness to carry this issue forward on behalf of the American people as well as, of course, the gentlewoman from Maryland (Mrs. MORELLA), the

gentleman from Iowa (Mr. LEACH) and the other Members of Congress who have been very concerned about this. So I am pleased to join my colleagues today in supporting H.R. 4756, the Year 2000 Preparedness Act of 1998.

□ 1300

This legislation represents a measured but effective step in the continuing efforts of Congress and the Clinton Administration to prepare for the Year 2000 computer problem.

I am also pleased at the bipartisan fashion in which this bill was developed. The Y2K problem is a serious threat to our economy and could have a large impact on the government and the private sector. We have heard the discussions throughout the last year about the potential impacts on communications, on utilities, on transportation, on finance. Safety, public services, consumer products all could be affected. If we are to solve the Y2K problem, it must be done in a bipartisan fashion. It must not, cannot, become purely political.

The next 15 months will be a challenge to the government, the public sector and the private sector, and we need to work together cooperatively in a manner analogous to the networking which computer systems allow.

Our ability to meet the Y2K task, Mr. Speaker, is not just a technical challenge, it is a social one, which requires us, perhaps as never before, to work together for the common good; together, not just as Democrats and Republicans, but as Americans, concerned that our country be prepared for the Year 2000.

In a sense, the Y2K problem represents a crisis in linear thinking, in the reliance of our society on boolean algorithms to design our world, a placing of our technical inventions superior to the slower human systems, instead of the old fashion reliance on the American heart, of people working together, of human interaction, of cooperative pursuits as one Nation.

As the new millennium dawns, Y2K gives us a new opportunity to review questions of how our society is structured, of what is important, of what is essential to our Nation, to our families and to ourselves. As we grapple with Y2K, perhaps we will also grapple with the dichotomized thinking which creates the conflict which slows a fast resolution not only of our technical problems, but of our social, political and economic ones as well.

So as we enter a new millennium, we are challenged to shift not only our clocks and our computers, but our thinking, the way we look at the world and the way we look at each other. We are challenged to create new thinking which leaps over the prophesies of doom, which are often self-fulfilling, and create a new epic which is all-fulfilling for the social, economic and political progress of every human being.

So as we move forward with this legislation, I would like to thank my colleagues, the gentlewoman from Maryland (Mrs. MORELLA), the gentleman from Michigan (Mr. BARCIA), the gentleman from California (Mr. HORN) and the gentleman from Iowa (Mr. LEACH) for their hard work on this legislation.

I would like to thank John Koskinen for his efforts to help shape the final bill. Because Mr. Koskinen and my colleagues in Congress were able to compromise and work together, the result is a solid piece of legislation which will help the Clinton administration solve the Y2K problem, to at least get a good start towards resolving it.

The Clinton Administration has been working hard on the Y2K problem to prevent damage to our economy, and I support this bill because I believe it will help them do that. The legislation contains new provisions that will assist the Small Business Administration in reaching out to small businesses and helping them to solve Y2K problems.

It also requires the Secretary of Commerce to develop consumer awareness to inform and educate consumers as to the potential Y2K problem. By educating our consumers and assisting small businesses, this legislation will go a distance towards helping prevent long-term Y2K problems.

We have much to do in order to solve Y2K before January 1, 2000. This legislation is a beginning. I thank the Speaker and the Members of Congress for their participation on it.

Mrs. MORELLA. Mr. Speaker, I thank the gentleman from Ohio (Mr. KUCINICH) not only for his statement, but for the kind of passion he has shown with regard to solving this particular problem.

Mr. Speaker, I am very happy to yield four minutes to the gentleman from California (Mr. HORN), who not only chairs the Subcommittee on Government Management, Information and Technology, but is my cochair on the Year 2000 Computer Problem, and as one who has created the agencies, the professorial facet of Mr. HORN comes through in his precision.

Mr. HORN. Mr. Speaker, I thank the gentlewoman from Maryland (Chairman MORELLA) and the gentleman from Iowa (Chairman LEACH), and the ranking Members, the gentleman from Michigan (Mr. BARCIA), the gentleman from New York (Mr. LAFALCE) and the gentleman from Ohio (Mr. KUCINICH).

This is truly a bipartisan effort. It is nonpartisan. It is the old story of the city manager movement. Garbage is not Democrat or Republican, it simply has to be removed from the streets, and that is exactly the way we have all worked together on this.

I particularly appreciate the input made by Assistant to the President John Koskinen, who is coordinating this effort within the Executive Branch. This legislation is designed to be helpful, not just to add another report. Afterall, we just rid ourselves of 132 of them a few minutes ago.

Let me note a few findings that the Subcommittee on Government Management, Information and Technology found in its report that was approved by the full committee last week and will be printed this week.

The Federal Government is not on track to complete necessary Year 2000 preparations before January 1, 2000. Some state and local governments are lagging in Year 2000 repairs and in many cases lack reliable information on their Year 2000 status. The Year 2000 status of basic infrastructure services—including electricity, telecommunications, water and sewage—is largely unknown. Embedded microchips are difficult to find, difficult to test, and can lead to unforeseen failures. These are just a few of many findings that one could note.

Let me tell you why this is urgent. Some people say, ''Oh, well, it isn't a serious matter. We will struggle through it,'' and so forth and so on. One ambassador of a very progressive country in Europe told me that two months ago. He is just wrong. On January 1, 2000, they will wake up in his country and find they have great difficulties.

Let me tell you what we already know. In terms of our staff and the General Accounting Office that has been so helpful on this, the Subcommittee on Government Management, Information and Technology of the Committee on Government Reform and Oversight projects that four departments and agencies will not be ready at the current rate of progress for the 21st Century. One will not conform until the year 2023. That is the Agency for International Development. The Department of Justice and the Department of Education will not conform until 2030. That is unacceptable.

Let me tell you about the NORAD blackout. NORAD is the North American Air Defense Command. The potential problem was demonstrated by a simulated test in 1993. Out of curiosity, the technicians rolled the dates up to January 1, 2000. The result was a total system blackout.

Vendor information—private software vendors cannot always be relied on—and an audit report of the Department of Defense Inspector General noted ''because vendor claims on the compliance of commercial off-the-shelf products can be incomplete or erroneous, the information may have little real value to system management and technical staff.''

Then we get into the Russian situation. I am delighted to see that Secretary of Defense Cohen has been working with the Russians on this, and it is so right that he does, because there are great difficulties with a lot of their missiles and with a lot of their launchers because of the embedded chips they use. We need to share with them how we are dealing with Year 2000 conformity to make sure there are no errors.

Mr. Speaker, I thank the gentlewoman from Maryland (Chairman MORELLA) for yielding me time. This is a worthwhile measure, and it ought to

be approved overwhelmingly by the House.

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

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the American people are counting on all of us to correct the Year 2000 computer problem. By working with the President and by passing this bill, I think we can begin to move toward achieving that goal. We only have 450 days left before January 1, 2000. So I urge my colleagues to support this important bipartisan, nonpartisan House Year 2000 task force legislation.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and pass the bill, H.R. 4756, as amended.

The question was taken.

Mr. BARCIA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

EXECUTIVE BRANCH TRAVEL REPORTS

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4805) to require reports on travel of Executive branch officers and employees to international conferences, and for other purposes.

The Clerk read as follows:

H.R. 4805

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

SECTION 1. REPORTS ON TRAVEL OF EXECUTIVE BRANCH OFFICERS AND EMPLOYEES.

(a) REPORTS TO DEPARTMENT OF STATE.—(1) Except as provided in paragraph (2), each officer and employee of an Executive Branch agency who travels abroad to attend an international conference shall submit to the Director of the Office of International Conferences of the Department of State a report with respect to such travel under subsection (b) not later than 30 days after the completion of such travel.

(2) Paragraph (1) shall not apply in the case of travel by the following:

(A) The President.

(B) The Vice President.

(C) Any officer or employee who is—

(i) carrying out an intelligence or intelligence-related activity;

(ii) performing a protective function; or

(iii) engaged in a sensitive diplomatic mission.

(b) REPORT.—Each report under subsection (a) shall set forth the following:

(1) The name and agency of the officer or employee concerned.

(2) The duration and cost of the travel involved.

(3) The name of the official who authorized the travel.

(c) BIANNUAL REPORTS TO CONGRESS.—(1) Not later than April 1, 1999, and every six months thereafter, the Director shall submit to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on International Relations and Appropriations of the House of Representatives a report regarding the travel covered by the reports submitted to the Director under subsection (a) during the six-month period ending on the date of the report under this paragraph.

(2) Each report under paragraph (1) shall set forth with respect to the period covered by such report the following:

(A) The names and agencies of the officers and employees who traveled abroad to attend an international conference during such period.

(B) Each official who authorized the travel covered by subparagraph (A) and the total number of officers and employees whose travel was authorized by such official.

(C) The total cost of the travel covered by subparagraph (A).

(d) ANNUAL REPORTS TO CONGRESS.—Not later than six months after the date of enactment of this Act, and annually thereafter, the President shall submit to the committees referred to in subsection (c) a report setting forth—

(1) the total expenditures by the Federal Government on all official travel abroad by each Executive Branch agency during the preceding fiscal year; and

(2) the total number of officials, officers, and employees of each such agency who engaged in such travel during that fiscal year.

(e) DEFINITIONS.—In this section:

(1) The term ''Executive Branch agency'' has the meaning given the term ''Executive agency'' in section 105 of title 5, United States Code, except that the term also includes the Executive Office of the President but does not include the General Accounting Office.

(2) The term ''international conference'' means any meeting held under the auspices of an international organization or foreign government at which representatives of more than two foreign governments are expected to be in attendance and to which one or more Executive Branch agencies will send an aggregate of 10 or more representatives.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Indiana (Mr. HAMILTON) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

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

Mr. Speaker, in 1995 I traveled to Beijing, where I cochaired the Congressional delegation, along with my good friend and colleague the gentlewoman from Maryland (Mrs. MORELLA) to the Fourth World Conference on Women.

I had many reactions to the conference, but one of the most vivid impressions was how difficult it was to get straight answers to some of the most basic questions, such as who was running the conference and who was paying for it. One of the very hardest things to find out was the exact cost to the American taxpayer.

At the time of the Beijing conference itself, we knew only that the State Department's total annual budget for international conferences that year was $6 million, and most of the amount was budgeted for smaller and less extravagant international meetings. So our participation in Beijing should have cost perhaps $1 million, certainly no more.

Yet the facts on the ground were very different. It took five months and a GAO report to Congress to learn the true extent of U.S. costs on the Beijing conference. It turned out to be $5.9 million, spread out among the budgets of 13 different Federal agencies and the White House. The State Department's reported expenditures were just under $1 million, but they comprised only about one-sixth of the total cost to the U.S. taxpayer.

Mr. Speaker, the bill we are considering today would ensure that Congress and the taxpayers have complete and accurate information on what it costs to send Federal officials and employees overseas to international conferences, no matter what the subject is. The bill is similar to an amendment introduced by Senator JOHN ASHCROFT which was ultimately included in H.R. 1757, the Foreign Affairs Reform and Restructuring Act.

The bill takes a moderate balanced approach to the problem. It imposes no unreasonable reporting requirements on the administration. In fact, the bill reflects many of the administration's own suggestions for improving the provision during the conference on H.R. 1757. For instance, the bill requires no reports on travel to international conferences by the President, the Vice President or Federal officials or employees carrying out intelligence-related activities or performing protective junctions or engaged in sensitive diplomatic missions.

Other Federal officials and employees attending international conferences, and they comprise the vast majority, would be required to report their expenses, the duration of the travel and the name of the authorizing official. The reports will be submitted to the State Department's Office of International Conferences, and the department will file a report to the Congress every six months. So this legislation would help the State Department, as well as Congress and the American people, get a handle on who the various Federal agencies are sending to international conferences.

Mr. Speaker, U.S. participation in international conferences in many cases is useful and necessary, but it should not take a GAO report to Congress to find out who we are sending and how much it costs.

I think Senator ASHCROFT should be thanked for this very important initiative, and I also want to thank the gentleman from New York (Mr. GILMAN), the chairman of the full Committee on International Relations, the gentleman from Indiana (Mr. HAMILTON), the ranking member of the full committee, Senator HELMS, Senator GRAMM and Senator BIDEN and others for their contributions and their staffs as this was

being shaped during the conference on H.R. 1757.

This a good resolution. Hopefully it will have the full support of the body.

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

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill. I want to commend the gentleman from New Jersey for bringing the bill forward. I think it is a worthy initiative.

Every year Executive Branch officials and employees attend international conferences all over the world. Attendance at these conferences is important to the interests of the United States. At this time we have no comprehensive system in place for keeping track of who goes where, for how long, what they learned and how much they spent.

□ 1315

This bill sets out a travel reporting system that would require three sets of reports. First, an individual or official attending an international conference would file a report with the State Department. Second, the State Department files a biennial report with the Congress. Finally, the President submits an annual report to Congress on travel by executive branch officials.

All of us, I think, agree that transparency is laudable. Nonetheless, we should recognize that the bill imposes a considerable administrative cost and burden. I would have favored getting a cost estimate on the bill. Despite this reservation, I think this is a good bill. I urge my colleagues to join me in support of it.

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

Mr. SMITH of New Jersey. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I am pleased to rise in support of H.R. 4085. I want to commend the sponsor of this measure, the gentleman from New Jersey (Mr. SMITH), the distinguished chairman of our Subcommittee on International Operations and Human Rights. This worthy bill is designed to obtain important data on the widespread attendance of executive branch employees at numerous international conferences.

Excessive attendance at overseas conferences is well-known, and it is also costly. This measure requires the administering office at the State Department to be formally notified by any agency expecting to send an employee to an international conference. It also will provide the agencies, and particularly our State Department, with information to better manage excessive attendance at such conferences, and to be able to receive extensive information on what occurred at the conference.

A one-time report to Congress will also assure that we have an accounting of this kind of travel. Accordingly, I urge support for this measure.

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

GENERAL LEAVE

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 4805.

The question was taken.

Mr. HAMILTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

CONCERNING PROPERTIES WRONGFULLY EXPROPRIATED BY FORMERLY TOTALITARIAN GOVERNMENTS

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 562) concerning properties wrongfully expropriated by formerly totalitarian governments.

The Clerk read as follows:

H. RES. 562

Whereas totalitarian regimes, including Fascist and Communist dictatorships, have caused immeasurable human suffering and loss, degrading not only every conceivable human right, but the human spirit itself;

Whereas the villainy of communism was dedicated, in particular, to the organized and systematic destruction of private property ownership, including ownership of real, personal, business, and financial property, by individuals and communities;

Whereas the confiscation of property without compensation by totalitarian regimes was often designed to victimize people because of religion, ethnicity, national or social origin, or opposition to such regimes;

Whereas certain individuals and communities twice suffered the taking of their properties without compensation, first by the Nazis and their collaborators and next by subsequent Communist regimes;

Whereas churches, synagogues, mosques, and other religious properties, as well as properties such as hospitals, schools and orphanages owned by religious communities, were destroyed or confiscated as a means of breaking the spiritual devotion and allegiance of religious people and dismantling religious communities;

Whereas refugees from communism, in addition to being wrongfully deprived of their property, were often forced to relinquish their citizenship in order to protect themselves and their families from reprisals by the Communists who ruled their countries;

Whereas the participating States of the Organization for Security and Cooperation in Europe have agreed to achieve or maintain full recognition and protection of all types of property, including private property, and the right to prompt, just and effective compensation in the event private property is taken for public use;

Whereas the countries of Central and Eastern Europe, the Caucasus, and Central Asia, have entered a post-Communist period of transition and democratic development, and many countries have begun the difficult and wrenching process of trying to right the wrongs of previous totalitarian regimes;

Whereas many countries in Central and Eastern Europe have enacted laws providing for the restitution of properties that were illegally or unjustly seized, nationalized, confiscated, or otherwise expropriated by totalitarian regimes;

Whereas legal or administrative restrictions that require claimants to reside in, or be a citizen of, the country from which they seek restitution of, or compensation for, wrongfully expropriated property are arbitrary, discriminatory, and in violation of international law; and

Whereas the rule of law and democratic norms require that the activity of governments and their administrative agencies be exercised in accordance with the laws passed by their parliaments or legislatures, and such laws themselves must be consistent with international human rights standards: Now, therefore, be it

Resolved, That the House of Representatives—

(1) welcomes the efforts of many formerly totalitarian countries to address the complex and difficult question of the status of wrongfully expropriated properties;

(2) urges countries which have not already done so to return wrongfully expropriated properties to their rightful owners or, when actual return is not possible, to pay prompt, just and effective compensation, in accordance with principles of justice and in a manner that is just, transparent and fair;

(3) calls for the return of wrongfully expropriated properties to religious communities;

(4) calls on Croatia, the Czech Republic, Latvia, Lithuania, Romania, Slovakia, and any other nation whose laws or regulations limit restitution or compensation for wrongfully expropriated properties to persons who reside in, or are citizens of, the country from which restitution or compensation is sought, to remove such restrictions; and

(5) urges formerly totalitarian countries to pass and effectively implement laws that provide for restitution of, or compensation for, wrongfully expropriated property.

SEC. 2. The Clerk of the House of Representatives shall transmit a copy of this resolution to the President.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Indiana (Mr. HAMILTON) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

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

Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations, and the ranking member of my subcommittee, the gentleman from California (Mr. LANTOS), for working with me and with my friend and colleague, the gentleman from Indiana (Mr. HAMILTON) to help bring this resolution to the floor.

Mr. Speaker, House Resolution 562 addresses the difficult subject of claims arising from uncompensated property confiscation by totalitarian regimes in Central and Eastern Europe.

House Resolution 562 stemmed from a Helsinki Commission hearing that I held in 1996 that examined the efforts underway to restore plundered properties in Central and Eastern Europe. One of the witnesses at that hearing explained that under the international law and practice, the U.S. government is only able to seek compensation from foreign governments on behalf of property claimants who were American citizens at the time that their property was taken.

In contrast, claimants who were not American citizens when their property was taken have at their disposal only the domestic law of their former country, even if they later became naturalized American citizens.

Mr. Speaker, this resolution urges countries to pass laws that will commit their governments to return plundered properties to their rightful owners, or, when actual return of property is not possible, to provide prompt, just, and effective compensation.

This compensation language derives from the Bonn agreement on the Conference on Security and Cooperation in Europe in which the participating states, including those in Central and Eastern Europe, recognized the ''right to prompt compensation in the event private property is taken for public use.'' This resolution also urges countries that have adopted restitution and compensation laws to implement those laws effectively and expeditiously.

By adopting this resolution, Mr. Speaker, the Congress will lend its voice and persuasive power to that of the Council of Europe and the European Parliament, which have both passed strongly-worded and similarly-worded resolutions calling on the countries of Central and Eastern Europe to adopt legislation for the restitution of plundered properties. I hope this will have the full support of the body.

Mr. Speaker, I thank the Chairman of the International Relations Committee, Mr. GILMAN, and the Ranking Member of my Subcommittee, Representative TOM LANTOS, for working with me to bring this resolution to the floor. Similar legislation was introduced in the 104th Congress, reintroduced in this Congress, and offered as an amendment to the foreign relations authorization bill which has not been passed by the Congress. H. Res. 562 is cosponsored by my colleagues Mr. GILMAN, Mr. LANTOS, Mr. HYDE, Mr. ROHRABACHER, and Mr. FOX, and by my fellow members of the Helsinki Commission: Mr. CHRISTENSEN, Mr. HOYER, Mr. SALMON, and Mr. MARKEY.

Mr. Speaker, H. Res. 562 addresses the difficult subject of claims arising from uncompensated property confiscations by totalitarian regimes in Central and Eastern Europe. Throughout much of this century, individuals and religious communities in Central and Eastern Europe saw their private property plundered by totalitarian regimes. In particular, Communist regimes expropriated real property, personal property, financial property, business property, and religious property in fulfillment of a main tenet of communism—the abolition of private property. Moreover, Communist-era expropriations often compounded Fascist-era wrongs. The restitution of property in Central and Eastern Europe today has a multitude of possible effects: restitution will demonstrate a commitment to the rule of law, will advance these countries in the establishment of free market economies, will encourage foreign investment, will help the newly-democratic regimes distance themselves from their totalitarian predecessors, and will provide a measure of justice to the victims of fascism and communism.

H. Res. 562 stemmed from a 1996 Helsinki Commission hearing that examined the efforts underway to restore plundered properties in Central and Eastern Europe. Our witnesses at that hearing—Stuart Eizenstat, then the Under Secretary of Commerce for International Trade and the U.S. Special Envoy for Property Claims in Central and Eastern Europe, and Delissa Ridgway, the then-Chairwoman of the Foreign Claims Settlement Commission—explained that under international law and practice, the United States Government is only able to seek compensation from foreign governments on behalf of property claimants who were American citizens at the time their property was taken. Under one common scenario, the United States obtains payment of such claims by having the Secretary of State, on behalf of the President, negotiate a government-to-government settlement agreement that settles a block of claims by American citizens against the foreign government in exchange for a lump-sum payment from the foreign government to the United States. Before or after such a settlement is reached, the Foreign Claims Settlement Commission (FCSC)—an independent, quasi-judicial Federal agency within the Department of Justice—determines the validity and valuation of property claims of U.S. nationals against that foreign government. The FCSC informs the Secretary of the Treasury of the results of the FCSC's adjudications and the Secretary of the Treasury then distributes funds from the lump-sum settlement on a pro rata basis to the U.S. nationals that obtained awards from the FCSC.

In contrast, claimants who were not American citizens when their property was taken have at their disposal only the domestic law of their former country, even if they later became naturalized American citizens. Considering these realities, Congress has a role in helping enable these dispossessed property owners to file claims in their former homelands with a real possibility of achieving a just resolution.

Since that 1996 hearing, the Helsinki Commission has actively encouraged the governments in Central and Eastern Europe to adopt nondiscriminatory property restitution laws and has sought to intervene on behalf of several claimants whose rights under existing restitution and compensation laws are not being respected. While some progress has been made, the Helsinki Commission nonetheless continues to receive hundreds of letters from American and foreign citizens with unresolved property claims in Central and Eastern Europe. The writers plead for help from the Helsinki Commission and from Congress. Many have been struggling for seven or eight years to regain possession of their family properties. Many are elderly and are losing hope that they will ever recover their property.

The issues addressed by this resolution are timely and, Mr. Speaker, they demand our attention. Some countries in the region have not yet adopted restitution or compensation laws. In those that have, certain requirements imposed on claimants involve so many conditions and qualifications that something just short of a miracle seems necessary for the return of any property.

In Communist countries, expropriated properties were often given to Communist party officials or collaborators. In many cases, these former officials still live in the properties. Regrettably, a number of the democratic governments now in place are stalling and delaying the return of those properties to their rightful owners. Worse yet, some governments are offering meager compensation to the rightful owners and then allegedly reselling the properties for a profit that the State then pockets.

The resolution urges countries to pass laws that will commit their governments to return plundered properties to their rightful owners or, when actual return of property is not possible, to provide ''prompt, just and effective compensation.'' This compensation language derives from the Bonn Document of the Conference on Security and Cooperation in Europe (now the Organization on Security and Cooperation in Europe) in which the participating States, including those in Central and Eastern Europe, recognized the ''right to prompt compensation in the event private property is taken for public use.'' The resolution also urges countries that have adopted restitution or compensation laws to implement those laws effectively.

Several examples help illustrate the state of affairs in Central and Eastern Europe with respect to property restitution. The Helsinki Commission staff met recently with a group known as the Committee for Private Property that has collected information from more than fifteen hundred people with outstanding restitution claims in Romania. Most of these claimants are American citizens—hundreds of whom filed legal claims in Romania and followed the proper judicial process to obtain decrees reinstating their property titles. After obtaining what they believed to be final and irrevocable decrees, the property owners began paying taxes on their properties or, in at least one case, thousands of dollars due on an old mortgage, only to have the Romanian Special Prosecutor appeal the cases to the Supreme Court and win reversals of the judicial decisions.

On the other hand, some positive advancements have been made in regard to communal property restitution in Romania. In April 1997, the Romanian Government adopted a resolution restoring Jewish community ownership rights over six buildings, including the National Jewish Theater, and issued a May 1997

decree that established a committee with joint government and community participation to review communal property claims. This past June, the Romanian Government pledged to return an additional seventeen buildings to several minority ethnic communities. These efforts are positive steps forward in the restitution of more than three thousand communal properties, such as orphanages, cultural centers, apartment buildings, ethnic community centers, and houses of worship, lost by religious and minority communities under communism. Regrettably, however, legislation to return properties to the Greek Catholic Church was blocked in Romania's parliament last year and has yet to be enacted.

Another group, American Owners of Property in Slovenia, has also contacted the Commission about property claims. This group estimates that a least 500 emigres from the former Yugoslavia are now American citizens with property claims in Slovenia. Despite clear mandates in Slovenia's restitution and compensation law requiring action on filed claims within one year, government officials have not implemented the law; the vast majority of claims remain pending without resolution seven years after the law was passed and five years after the filing deadline. Of the approximately 40,000 applications filed by the 1993 deadline, only 35 percent of the individual claims filed had been resolved by the end of 1997; sixty-five percent of the claims had received no action or only dilatory action. The Slovenian Government has not shown the political will to return property and has failed to take the administrative measures needed to implement the legislation. Moreover, it is of particular concern that this past September, the Slovenian parliament adopted amendments to its restitution law that contain numerous provisions that may further restrict the ability of victims of the Communist regime to regain ownership and access to their properties.

Similarly, in Lithuania, despite enactment of a restitution and compensation law, Lithuanian Government officials also appear disinclined to return properties. Property claimants there encounter a variety of roadblocks to restitution, including citizenship requirements, unreasonable bureaucratic delays, and the sudden, suspicious inclusion of claimed properties on an official ''Register of Immovable Cultural Properties'' as the basis for non-restitution. In one case, Mr. Vytautas Sliupas, an American with dual Lithuanian citizenship, has struggled for seven years to regain ownership and possession of inherited property in Palanga, Lithuania. One building is controlled by the Ministry of Culture and Education and is reportedly used by the National Museum of Lithuania primarily as a vacation site for Museum personnel The second property is controlled by the City of Palanga and is rented to a commercial entity. These properties belong to Mr. Sliupas' family and were nationalized, without compensation, by the Communist regime. In 1993, the Minister of Culture and Education issued an official letter stating that the Ministry agreed to return the first property to Mr. Sliupas. In 1997, the City of Palanga passed a resolution to return the second property to Mr. Sliupas. Nonetheless, the groups occupying the properties have failed to comply with the orders to vacate. Mr. Sliupas has sought unsuccessfully to obtain the assistance of various government entities, including the courts, in enforcing his right to regain possession of these properties. The Lithuanian Government recently informed the Helsinki Commission that the property has been placed on the Register of Immovable Cultural Properties and, therefore, cannot be restituted to Mr. Sliupas.

In Croatia, the Czech Republic, Lithuania, Romania, Slovakia, and other countries, the existing restitution and compensation laws only allow people who are currently residents or citizens of the country to apply for restitution. The Czech Republic's citizenship requirement discriminates almost exclusively against individuals who lost their Czech citizenship because they chose the United States as their refuge from communism; as many as 8,000–10,000 Czech-Americans are precluded from even applying for restitution or compensation because of this requirement. Citizenship and residency requirements have been found to violate the nondiscrimination clause of the International Covenant on Civil and Political Rights, an international agreement that these countries have voluntarily signed onto, and yet the countries mentioned have been unwilling to eliminate the restrictions. The resolution calls on these countries to remove citizenship or residency requirements from their restitution and compensation laws.

Mr. Speaker, the examples given only begin to show the obstacles faced by property claimants in formerly totalitarian countries. This past August, Stuart Eizenstat—now the Under Secretary of State or Economic, Business and Agricultural Affairs and the U.S. Special Envoy for Property Claims in Central and Eastern Europe—testified before the International Relations Committee about the need for Congress to pass a resolution that encourages Central and East European countries to return wrongfully expropriated property. While that hearing focused on Holocaust-era assets, in reality many Holocaust victims who suffered the loss of their property at the hands of the Nazis were victimized again by Communist regimes. I comment Under Secretary Eizenstat for his tireless efforts on behalf of Holocaust victims and I hope that the Untied States Government will make property restitution and compensation a priority in Central and Eastern Europe—as it has done in Cuba, Nicaragua and other countries.

By adopting this resolution, the Congress will add its voice and persuasive power to that of the Council of Europe and the European Parliament which have both passed strongly worded resolutions calling on the countries of Central and Eastern Europe to adopt legislation for the restitution of plundered properties. For the record, I would ask that a reference list of provisions, form international law and agreements, relating to property rights and the restitution of property be printed following my statement.

H. Res. 562 signals the countries of Central and Eastern Europe that the United States is concerned with the urgent return of plundered property to individuals and religious communities. I urge my colleagues to support H. Res. 562 and to join me and the other cosponsors of this resolution in pressing for a fair, timely and just property restitution and compensation process in formerly totalitarian countries.

Mr. Speaker, I include the following materials relating to this resolution:

NON-DISCRIMINATION CLAUSE OF THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS

Article 26: All persons are equal before the law and are entitled without any discrimination to the equal protection of the law. In this respect, the law shall prohibit any discrimination and guarantee to all persons equal and effective protection against discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, or other status.

EXCERPTS FROM DECISIONS OF THE U.N. HUMAN RIGHTS COMMITTEE (ESTABLISHED BY THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS) CONCERNING CITIZENSHIP & RESIDENCY REQUIREMENTS IN PROPERTY RESTITUTION LAWS

Simunek v. *Czech Republic,* Human Rights Comm., U.N. Doc. CCPR/C/54/D/516/1992 (1995):

In the instant cases, the [property claimants] have been affected by the exclusionary effect of the requirement in Act 87/1991 that claimants be Czech citizens and residents of the Czech Republic. The question before the Committee, therefore, is whether these preconditions to restitution or compensation are compatible with the non-discrimination requirement of article 26 of the [International] Covenant [on Civil and Political Rights]. Id. at para. 11.5.

The Human Rights Committee . . . is of the view that the denial of restitution or compensation to the [property claimants] constitutes a violation of article 26 of the International Covenant on Civil and Political Rights. Id. at para. 12.1.

Bearing in mind that, by becoming a party to the Optional Protocol, the State party has recognized the competence of the Committee to determine whether there has been a violation of the Covenant or not and that . . . the State party has undertaken to ensure to all individuals within its territory and subject to its jurisdiction the rights recognized in the Covenant and to provide an effective and enforceable remedy in case a violation has been established, the Committee wishes to receive from the State party, within ninety days, information about the measures taken to given effect to the Committee's Views. Id. at para. 12.3.

Adam v. *Czech Republic,* Human Rights Comm., U.N. Doc. CCPR/C/57/D/586/1994 (1996).

In the instant case, the [property claimant] has been affected by the exclusionary effect of the requirement in Act 87/1991 that claimants be Czech citizens. The question before the Committee, therefore, is whether the precondition to restitution or compensation is compatible with the non-discrimination requirement of article 26 of the [International] Covenant [on Civil and Political Rights]. Id. at para. 12.4

The Human Rights Committee . . . is of the view that the denial of restitution or compensation to the [property claimant] constitutes a violation of article 26 of the International Covenant on Civil and Political Rights. Id. at para. 13.1.

PROPERTY PROVISIONS IN INTERNATIONAL LAW & AGREEMENTS

Universal Declaration of Human Rights (United Nations General Assembly), Dec. 10, 1948

Art. 17: (1) Everyone has the right to own property alone as well as in association with others.

African [Banjul] Charter on Human and Peoples' Rights (Organization of African Unity), entered into force Oct. 21, 1986

Art. 14: The right to property shall be guaranteed. It may only be encroached upon

in the interest of public need or in the general interest of the community and in accordance with the provisions of appropriate laws.

American Convention on Human Rights (Organization of American States), entered into force July 18, 1978

Article 21: (1) Everyone has the right to the use and enjoyment of his property. The law may subordinate such use and enjoyment to the interest of society.

(2) No one shall be deprived of his property except upon payment of just compensation, for reasons for public utility or social interest, and in the case and according to the forms established by law.

(3) Usury and any other form of exploitation of man by man shall be prohibited by law.

European Convention for the Protection of Human Rights and Fundamental Freedoms (Council of Europe), entered into force Sept. 3, 1953.

No property provisions.

Protocol (No. 1) to the European Convention for the Protection of Human Rights and Fundamental Freedoms (Council of Europe), entered into force, May 18, 1954

Article 1: Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

Document of the Bonn Conference on Economic Cooperation in Europe (Conference on Security and Cooperation in Europe) April 11, 1990

The participating States, . . . [b]elieve that economic freedom for the individual includes the right freely to own, buy, sell and otherwise utilize property.

* * * * *

Accordingly the participating States, . . . [w]ill endeavour to achieve or maintain the following:

Full recognition and protection of all types of property including private property, and the right of citizens to own and use them, as well as intellectual property rights;

The right to prompt, just and effective compensation in the event private property is taken for public use;

Document of the Copenhagen Meeting of the Conference on the Human Dimension of the Conference on Security and Cooperation in Europe, June 29, 1990

The participating States reaffirm that . . . everyone has the right peacefully to enjoy his property either on his own or in common with others. No one may be deprived of his property except in the public interest and subject to the conditions provided for by law and consistent with international commitments and obligations.

Charter of Paris for a New Europe (Conference on Security and Cooperation in Europe) Nov. 21, 1990

We affirm that, . . . everyone also has the right: . . . to own property alone or in association and to exercise individual enterprise.

Resolution B4–1493/95 on the Return of Plundered Property to Jewish Communities (European Parliament), Dec. 14, 1995

The European Parliament,

A. recalling the first additional protocol to the European Convention on Human Rights (Paris 1952), and in particular Article 1 thereof, which stipulates that 'every natural person is entitled to the peaceful enjoyment of his possessions',

B. recalling the European Union's commitment to respect for and defence of human rights,

C. recalling the European Union's commitment to the duty of remembrance,

D. given the political upheavals in Central and Eastern Europe after 1989,

E. whereas certain countries of Central and Eastern Europe which have returned to democracy have ratified the European Convention on Human Rights (1950) by joining the Council of Europe,

F. given the twofold plundering of the property of Jewish communities, first under the regimes of the Nazis and their collaborators and then under the Communist regimes,

G. Aware that under the Communist regimes many other individuals of various origins, communities and religions and many organizations, notably Christian churches, were deprived of their property,

1. Welcomes the fact that certain Eastern European states, notably Hungary and Romania, have accepted the principle of justice and morality by agreeing to return the property of Jewish communities to its rightful owners;

2. Welcomes the fact that certain Central and Eastern European countries have apologized publicly for the crimes committed against Jews during the Second World War and have recognized their responsibilities in respect of these crimes;

3. Calls on all countries of Central and Eastern European which have not already done so to adopt appropriate legislation regarding the return of plundered property so that the property of Jewish communities may be returned to Jewish institutions, in accordance with the principles of justice and morality;

4. Asks also that all countries of Central and Eastern Europe which have not already done so adopt appropriate legislation for the return of other property plundered by the Communists or the Nazis and their accomplices to their rightful owners;

5. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, the Council of Europe and the countries which have applied to join the European Union.

Resolution 1096 on Measures to Dismantle the Heritage of Former Communist Totalitarian Systems (Council of Europe Parliamentary Assembly), 1996

Para 10: The Assembly advises that property, including that of the churches, which was illegally or unjustly seized by the state, nationalized, confiscated or otherwise expropriated during the reign of communist totalitarian systems in principle be restituted to its original owners in integrum, if this is possible without violating the rights of current owners who acquired the property in good faith or the rights of tenants who rented the property in good faith, and without harming the progress of democratic reforms. In cases where this is not possible, just material compensation should be awarded. Claims and conflicts relating to individual cases of property restitution should be decided by the courts.

Resolution 1123 on the Honouring of Obligations and Commitments by Romania (Council of Europe Parliamentary Assembly), 1997

Para 12: The Assembly encourages Romania to settle the matter of return of confiscated or expropriated real estate, in particular to the churches, to political prisoners or to certain communities, with due regard to the principle of restitution in integrum or, failing that, to pay just compensation and secure free access to the court system for complainants.

Para 14: The Assembly therefore earnestly requests that the Romanian authorities:

* * * * *

iv. amend the legislation relating to the return of confiscated and expropriated property, particularly Act No. 18/1991 and Act No. 112/1995, so as to provide for the restitution of such property in integrum or fair compensation in lieu.

Simunek v. *Czech Republic,* Human Rights Comm., U.N. Doc CCPR/C/54/D/516/1992 (1995);

Adam v. *Czech Republic,* Human Rights Comm., U.N. Doc. CCPR/C/57/D/586/1994 (1996).

These two cases before the human Rights Committee (''the Committee''), established by the International Covenant on Civil and Political Rights, involved American citizens with property claims in the Czech Republic. In both cases, the Committee determined that while there is no right to property *per se* in the International Covenant on Civil and Political Rights, there is a right to non-discrimination pursuant to article 26 of the Covenant. In the case of the Czech restitution law, the Committee agreed that the provision requiring claimants to have Czech citizenship violates the Covenant's non-discrimination clause.

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

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the resolution, and I extend my appreciation to the gentleman from New Jersey (Mr. SMITH) and the chairman of the committee, the gentleman from New York (Mr. GILMAN), the gentleman from California (Mr. LANTOS), and others for their work on this bill. It is a worthy piece of legislation. The confiscation of community and personal property by governments based on an individual's religion, ethnicity, national or social origin, is wrong and it is degrading.

As we approach the beginning of the next century, we must work together to return property that was unjustifiably taken. This effort requires the continued cooperation of the governments of formerly Communist countries. It also requires the removal of residency restrictions which hinder efforts to return property to the true owners. This resolution deserves our support. I urge my colleagues to join me in voting yes on this important measure.

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

Mr. SMITH of New Jersey. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, House Resolution 562 expresses the sense of the House regarding properties wrongfully expropriated by formerly Communist governments in Central and Eastern Europe.

I want to thank our colleague, the gentleman from New Jersey (Mr. SMITH), the distinguished chairman of our Subcommittee on International

Operations and Human Rights, for his ongoing commitment to these issues and for his sponsorship of this bill.

I also want to thank our ranking member, the gentleman from Indiana (Mr. HAMILTON) for his support of the measure.

As many of our colleagues know, under Communist rule, individual and communal property was brutally confiscated without any compensation. Religious communities were also severely affected, as were hospitals, schools, and orphanages that they operated. While many post-Communist nations are trying to address these problems by enacting property restitution laws, much still remains to be done.

Our Committee on International Relations recently conducted a hearing at which we heard about the successes and frustrations from Under Secretary of State Stewart Eisenstat.

H.Res. 562 welcomes the efforts of countries in Central and Eastern Europe to address the question of expropriated properties but urges countries which have not already done so to return these properties to their rightful owners. The bill also urges countries to pay compensation when the actual return of property is not possible.

H.Res. 562 specifically mentions Croatia, the Czech Republic, Latvia, Lithuania, Romania and Slovakia by calling on them to remove restrictions that limit restitution or compensation. This measure is also required to be transmitted to the President following its adoption and for his consideration.

It is important that countries involved in this issue understand their response is seen as a measure of their commitment to basic human rights, to justice and to the rule of law as one of several standards by which our Nation assesses its bilateral relationship with them. Those who perished, those who survived and their descendants deserve nothing less.

Accordingly, Mr. Speaker, I urge adoption of H.Res. 562.

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

GENERAL LEAVE

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

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

There was no objection.

Mr. SMITH of New Jersey. Mr. Speaker, I yield such time as he may consume to my good friend, the gentleman from Florida (Mr. MICA).

(Mr. MICA asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. MICA. Mr. Speaker, I come to the floor this afternoon in support of this resolution. I wanted to also comment for the record about a particular concern that I have. My grandfather was a Slovak American and came from Slovakia. He came from a country that was dominated for a thousand years by other interests.

When I visited Slovakia last September, I visited some of their museums and their cultural heritage facilities and what stunned me is I found that many of the artifacts and cultural objects that were native to Slovakia were missing. I hope that when we talk about returning properties of people from former communist regimes that we can call on those who have expropriated cultural heritage objects from the Slovak Republic and native Slovakia to return them to their rightful owners.

Unfortunately, Slovakia was plundered under the various communist regimes and many of the artifacts and art and cultural objects disappeared.

In light of us passing this resolution, it would be my hope that we could do justice in also requesting that the Slovak people have returned to them things that are so precious to them. They had, again, years of domination by the communists. For many years, they had domination from communists in Prague and what is now the Czech Republic.

I also sent recently, October 10, a letter to His Excellency Vaclav Havel, the President of the Czech Republic, asking that they help expedite the return of some of these historic items from the Czech Republic.

I come to the floor in support of this effort to see that properties and other rightful objects are returned to their rightful owner; that we correct the injustices of the past, particularly under communist regimes.

I come to the floor also to congratulate the Slovak people on their recent elections, which will allow them with a new western leaning government, their rightful place in the community of free and independent nations. They have only been free since 1993. They gained their independence and now I hope with this movement by Congress today we can also have them retain their right title and ownership to properties that a country has been deprived of, a people have been deprived of, for many, many years under a communist totalitarian regime. I commend the authors of this legislation on both sides of the aisle.

Mr. Speaker, I include for the RECORD the letter of October 10.

U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, October 10, 1998.

HIS EXCELLENCY, VACLAV HAVEL,
President of the Czech Republic,
The Embassy of the Czech Republic, Washington, DC.

DEAR MR. PRESIDENT: I am writing to request your assistance in securing the return to the Slovak Republic certain objects of art and cultural heritage that currently are in the care or possession and held with the authority of the Czech Republic.

With Slovakia's independence and status since 1993 in the community of free and recognized sovereign states, it is both proper and legal that objects of art and national Slovak cultural heritage be returned to the Slovak Republic.

For generations, Slovakia and the Slovak people have been dominated and ruled by other people.

Now it is only fair and just that art, paintings, sculptures, antiquities and culturally significant artifacts native to Slovakia be returned to the Slovak people.

I seek your personal intervention and remedial action to correct this situation. Hopefully these objects can be returned through a cooperative effort. If not, it will be my intention as a Member of the United States Congress to seek redress by legislative action in the 106th Congress. In that regard, my action may include a Congressional Resolution relating to the matter and/or legislative and appropriations action disapproving of future economic, military and financial assistance to your country.

I believe this to be a very serious matter that should also be raised by the United States Ambassador to the United Nations and to the appropriate international organizations and tribunals.

Hopefully we can work together to correct this injustice, identify and return art and antiquities rightfully belonging to Slovakia and amicably resolve this matter.

Respectfully,

JOHN L. MICA,
Member of Congress.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the resolution, H. Res 562.

The question was taken.

Mr. HAMILTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

CALLING FOR FREE AND TRANSPARENT ELECTIONS IN GABON

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 518) calling for free and transparent elections in Gabon, as amended.

The Clerk read as follows:

H. RES. 518

Whereas Gabon is a heavily forested and oil-rich country on central Africa's west coast;

Whereas Gabon gained independence from France in 1960;

Whereas the Government of Gabon is involved in ongoing efforts to mediate regional conflicts;

Whereas Gabon is scheduled to hold national elections in December 1998 for the purpose of electing a President;

Whereas Gabon was subject to single-party rule until 1990;

Whereas the International Foundation for Election Systems (IFES) and the Africa America Institute (AAI) served as observers

during the organization of the 1993 Presidential and legislative elections in Gabon and found widespread electoral irregularities;

Whereas the Government of Gabon is a signatory to the ''Paris Accords'' of 1994, approved by national referendum in July 1995, which provides for a state of law guaranteeing basic individual freedoms and the organization of free and fair elections under a new independent national election commission;

Whereas the people of Gabon have demonstrated their support for the democratic process through the formation of numerous political parties since 1990 and their strong participation in prior elections; and

Whereas it is in the interest of the United States to promote political and economic freedom in Africa and throughout the world: Now, therefore, be it

Resolved, That the House of Representatives—

(1) recognizes and commends the Government of Gabon's ongoing efforts to resolve central African conflicts;

(2) recognizes and commends those Gabonese who have demonstrated their love for free and fair elections;

(3) commends the Gabonese Government for inviting IFES to perform a pre-election assessment study;

(4) calls on the Gabonese Government—

(A) to take further measures to help ensure a credible election and to ensure that the election commission remains independent and impartial; and

(B) to further welcome IFES, the National Democratic Institute, the International Republican Institute, or other appropriate international nongovernmental organizations to aid the organization and oversight of, the December 1998 Presidential election in Gabon, in an effort to ensure that these elections in Gabon are free and fair;

(5) urges the Government of Gabon to take all necessary and lawful steps toward conducting free and fair elections;

(6) calls on the international community to join the United States in offering their assistance toward conducting free and fair elections in Gabon;

(7) urges the United States Government to continue to provide support directly and through appropriate nongovernmental organizations to aid the organization of free and fair elections in Gabon; and

(8) urges the United States Government and the international community to continue to encourage the Government of Gabon to ensure a lasting and committed transition to democracy.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from Florida (Mr. HASTINGS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

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

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

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution, very appropriately, calls for free and transparent elections in Gabon, the election of which in 1993 was marred by serious irregularities according to the State Department's human rights report.

□ 1330

The emergence of genuine democracy in Gabon would help stabilize the rest of Central Africa, a region which has suffered great instability in recent days. And I want to thank the gentleman from Florida (Mr. HASTINGS) for introducing this resolution and for working with the rest of the members of our Subcommittee on Africa in coming up with language that everyone can support.

In addition, the gentleman from California (Mr. ROYCE), chairman of our Subcommittee on Africa, has played an important role in bringing everyone together on this resolution, for which he deserves our thanks.

Accordingly, I urge my colleagues to support this worthy measure.

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I offer this resolution today to support and strengthen democracy and democratic forces in Gabon.

First, I would like to thank the gentleman from New York (Chairman GILMAN) and the gentleman from California (Chairman ROYCE) of the Subcommittee on Africa for expediting this measure and working with us to ensure that we could get this before the House before we exit today or tomorrow or whenever.

I would like to thank the distinguished gentleman from California (Mr. ROYCE) because he has been conscientious in more ways than one; not just about Gabon, but about all of Africa and the concerns of the Committee on International Relations.

Mr. Speaker, Gabon is well positioned to move forward to a stable and democratic nation. With a per capita income that is three times that of most nations of sub-Saharan Africa, a relatively high literacy rate, and a billion dollar oil industry, Gabon possesses all the necessary components for true democracy. However, despite these positive attributes, Gabon's elections have not always been transparent because of poor organization and poor execution.

While I commend the Government of Gabon for its ongoing efforts to resolve conflicts in Central Africa, I personally would like to encourage that government to take further steps in ensuring that the December presidential election is credible and that the commission remains independent and impartial.

This resolution gives the people of Gabon a chance to participate in free and fair presidential elections in December. It also calls on the international community to join the United States Government in offering their assistance toward conducting free and fair elections in Gabon, and urges the United States Government to continue to provide support, directly and through appropriate non-governmental organizations, toward free and fair elections in that nation.

Mr. Speaker, the Gabonese people have demonstrated their strong support for freedom and democracy through their participation in previous elections. Thus, I believe it is incumbent upon us as leaders of democracy to help the forces of freedom in Gabon institute true democracy.

Mr. Speaker, I urge my colleagues to support this resolution.

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

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Florida (Mr. HASTINGS) for his eloquent support of this measure.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California (Mr. ROYCE), chairman of our Subcommittee on Africa.

Mr. ROYCE. Mr. Speaker, I want to lend my support to this resolution, and I want to commend the work of its author, the gentleman from Florida (Mr. HASTINGS) my subcommittee colleague, as well as the other members of the Subcommittee on Africa who have worked on it.

This is a balanced resolution that sends a loud and clear message that the United States cares about democracy in Gabon. This is a country with which we have growing commercial ties, and it says that we are prepared to support democracy there.

This resolution points out some of the achievements of the government's democratic transition, and it points out some of the shortcomings, calling for the U.S. to help improve these conditions.

Ultimately, though, democracy is the responsibility of the Gabonese people. The government and democratic opposition will have to continue their work together so that fair and free elections are held and so that democratic aspirations are met. This resolution says that we care about these aspirations and are willing to help.

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

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. CAMPBELL), a member of our Subcommittee on Africa.

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN) for yielding me this time.

Mr. Speaker, I wish to commend the work of the gentleman from California (Mr. ROYCE), our chairman, in bringing this to the floor, along with the gentleman from New York (Chairman GILMAN), and the work of the gentleman from Florida (Mr. HASTINGS), my good friend and colleague who authored this resolution and who brought this issue to our attention, and with whom I am honored to play a subordinate role, but still a partnership role.

The resolution is well worth the time and concern of the American people. The purpose of the resolution is to make the message clear to the people of Gabon that the United States stands with them. We do not stand with any particular outcome of the election; we stand with the democratic process so that the people of Gabon might be free to express their preference in the process.

Secondly, to our good friend and long-time ally, the people of France, we wish to encourage them to encourage the democratic outcome. I view France as having a tremendous potential to doing good in Africa.

All we can accomplish, to be realistic, is to let the world know that we care, we do not turn ourselves away from the peoples of Africa, particularly at times when they are attempting a democratic resolution to the problems that have surfaced since they have come out of the Cold War period.

Gabon's democratic election, which we anticipate coming up this December, will be viewed by us with great interest. Those of us who devote our attention to African matters in this body will have a much easier time of convincing our colleagues to assist the peoples of Africa if that election goes as fairly and fully democratically as possible.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from California (Mr. CAMPBELL) for his intensive and extensive support of democracy in Africa, his continuing support, and for his eloquent remarks in support of this resolution.

Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. BLUNT), a member of our Committee on International Relations.

Mr. BLUNT. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN) for yielding me this time.

Mr. Speaker, I want to first of all say that exactly what was said by the gentleman from California (Mr. CAMPBELL) is the goal here. It is not a specific result of the process, but it is the process.

And as the gentleman from Florida (Mr. HASTINGS) has advanced this resolution, it is a resolution that hopes to see in this country, and in other countries in Africa, what we have seen over so much of the world in the last decade.

This truly, Mr. Speaker, been an extraordinary decade for democracy. In the last debate we heard about the democracy in Slovakia. We could talk about democracy in country after country in Eastern Europe. We could certainly talk about an incredible change in South America and in Central America in the last decade as democracy has held sway time and time again.

We need to stand for that same process in Africa. We need to stand not in opposition to any result or in favor of any result, but in favor of democracy. We need to stand as a beacon, as we have to so many other countries in the world, of support in their efforts to have the kind of freedom that is only possible with a true democratic process.

As the country of Gabon approaches what we hope will be a fair and free and open election in December, followed by what we hope will be the implementation of the results of that election, I just want to encourage my colleagues to support the resolution, and to thank the gentleman from New York (Chairman GILMAN) for all he has done in this Congress to encourage democracy all over the world, and to thank the gentleman from Florida (Mr. HASTINGS) for bringing this resolution forward.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to thank the gentleman from Missouri (Mr. BLUNT) for his extensive work on our Committee on International Relations, and for his continued interest in bringing democracy to countries throughout the world.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

I merely wish to thank our cosponsors of this measure. The gentleman from California (Mr. CAMPBELL) has spoken, but he did extraordinary work in ensuring that we were able to expedite this resolution. I would like to mention the gentleman from New Jersey (Mr. PAYNE), the gentleman from California (Mr. DIXON), the gentleman from Ohio (Mr. CHABOT), the gentleman from Illinois (Mr. JACKSON), the gentleman from Georgia (Mr. SANFORD) and the gentlewoman from Georgia (Ms. MCKINNEY) and thank them for their assistance as well.

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

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this may be the last suspension bill that our committee will be bringing to the floor this year, and I wanted to take this opportunity to thank the leadership, our floor staffs, the cloakroom staffs, the Clerk's staff, especially in the Office of Legislative Operations, our stenographers and transcribers, and finally the parliamentarians for their many acts of assistance to our committee as we moved legislation during the past 2 years.

Mr. Speaker, I also want to thank the members of our committee, the staffs of the members, and the committee staff on both sides for their dedication and cooperation that we have had over the past 2 years.

Mr. SHAW. Mr. Speaker, I rise today in strong support of H. Res. 518.

Mr. Speaker, I had the opportunity to travel to Gabon recently with the gentleman from Texas, Mr. ARCHER, and the gentleman from Tennessee, Mr. TANNER. While there, we met with President Bongo and learned first-hand of the changes that have been made over the past eight years. In 1990, responding to popular demands, President Bongo convened a National Conference to institute major political reforms. A new constitution was approved by participants from over 70 political parties and organizations as the first step away from single-party rule. Also in that year, the first multiparty elections were held, and opposition parties won 45% of the 120 seats in the National Assembly. Since 1990, a firm foundation for Gabon's democracy has been laid.

I am pleased that the International Foundation for Electoral Systems has a team in Gabon as I speak, conducting a pre-election assessment of the presidential elections to be held in December. I wish to recognize the cooperation of the gentleman from Texas, Mr. ARCHER, the gentleman from Tennessee, Mr. TANNER, the gentleman from New York, Mr. GILMAN, the gentleman from California, Mr. ROYCE, and Dr. Susan Rice, Assistant Secretary of State for Africa, in obtaining funding for this assessment team.

While in Gabon, I also witnessed the struggle for conserving the scarce natural resources of the rainforest and its inhabitants. In a step toward conscientious stewardship of Gabon's natural resources, the first national park of Gabon was recently established as a reserve for orphaned young gorillas. President Bongo has made a public commitment toward responsible use of natural resources, including the establishment of guidelines for the appropriate harvesting of Gabon's oil resources for trade on the local and international market. It is evident that much progress has been made toward positive economic, ecological, and political development in Gabon.

President Omar Bongo is to be commended for his efforts to establish democracy in the tumultuous region of Central Africa. To this end, my recent experiences and discussions have impressed upon me the importance of a free, fair, and transparent presidential campaign and election to stabilize Gabon's fragile, new democracy.

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

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the resolution, H. Res. 518, as amended.

The question was taken.

Mr. HASTINGS of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on the motion will be postponed.

The point of no quorum is considered withdrawn.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2807. An act to amend the Rhinoceros and Tiger Conservation Act of 1994 to prohibit the sale, importation, and exportation

of products labeled as containing substances derived from rhinoceros or tiger.

The message also announced that the Senate agrees to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1260) ''An Act to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes.''.

TECHNOLOGY ADMINISTRATION ACT OF 1998

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 1274) to authorize appropriations for the National Institute of Standards and Technology for fiscal years 1998 and 1999, and for other purposes.

The Clerk read as follows:

Senate Amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Technology Administration Act of 1998''.

SEC. 2. MANUFACTURING EXTENSION PARTNERSHIP PROGRAM CENTER EXTENSION.

Section 25(c)(5) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(c)(5)) is amended by striking '', which are designed'' and all that follows through ''operation of a Center.'' and inserting in lieu thereof ''. After the sixth year, a Center may receive additional financial support under this section if it has received a positive evaluation through an independent review, under procedures established by the Institute. Such an independent review shall be required at least every two years after the sixth year of operation. Funding received for a fiscal year under this section after the sixth year of operation shall not exceed one third of the capital and annual operating and maintenance costs of the Center under the program.''.

SEC. 3. MALCOLM BALDRIGE QUALITY AWARD.

(a) ADDITIONAL AWARDS.—Section 17(c)(3) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3711a(c)(3)) is amended by inserting '', unless the Secretary determines that a third award is merited and can be given at no additional cost to the Federal Government'' after ''in any year''.

(b) CATEGORIES.—Section 17(c)(1) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3711a(c)(1)) is amended by adding at the end the following:

''(D) Health care providers.

''(E) Education providers.''.

SEC. 4. NOTICE.

(a) REDESIGNATION.—Section 31 of the National Institute of Standards and Technology Act is redesignated as section 32.

(b) NOTICE.—The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended by inserting after section 30 the following new section:

''NOTICE

''SEC. 31. (a) NOTICE OF REPROGRAMMING.—If any funds authorized for carrying out this Act are subject to a reprogramming action that requires notice to be provided to the Appropriations Committees of the House of Representatives and the Senate, notice of such action shall concurrently be provided to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

''(b) NOTICE OF REORGANIZATION.—

''(1) REQUIREMENT.—The Secretary shall provide notice to the Committees on Science and Appropriations of the House of Representatives, and the Committees on Commerce, Science, and Transportation and Appropriations of the Senate, not later than 15 days before any major reorganization of any program, project, or activity of the Institute.

''(2) DEFINITION.—For purposes of this subsection, the term ''major reorganization'' means any reorganization of the Institute that involves the reassignment of more than 25 percent of the employees of the Institute.''.

SEC. 5. SENSE OF CONGRESS ON THE YEAR 2000 PROBLEM.

With the year 2000 fast approaching, it is the sense of Congress that the National Institute of Standards and Technology should—

(1) give high priority to correcting all 2-digit date-related problems in its computer systems to ensure that those systems continue to operate effectively in the year 2000 and beyond; and

(2) develop contingency plans for those systems that the Institute is unable to correct in time.

SEC. 6. ENHANCEMENT OF SCIENCE AND MATHEMATICS PROGRAMS.

(a) DEFINITIONS.—In this section—

(1) EDUCATIONALLY USEFUL FEDERAL EQUIPMENT.—The term ''educationally useful Federal equipment'' means computers and related peripheral tools and research equipment that is appropriate for use in schools.

(2) SCHOOL.—The term ''school'' means a public or private educational institution that serves any of the grades of kindergarten through grade 12.

(b) SENSE OF CONGRESS.—

(1) IN GENERAL.—It is the sense of Congress that the Director of the National Institute of Standards and Technology should, to the greatest extent practicable and in a manner consistent with applicable Federal law (including Executive Order No. 12999), donate educationally useful Federal equipment to schools in order to enhance the science and mathematics programs of those schools.

(2) REPORTS.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Director of the National Institute of Standards and Technology shall prepare and submit to the President a report. The President shall submit the report to Congress at the same time as the President submits a budget request to Congress under section 1105(a) of title 31, United States Code.

(B) CONTENTS OF REPORT.—The report prepared by the Director under this paragraph shall describe any donations of educationally useful Federal equipment to schools made during the period covered by the report.

SEC. 7. TEACHER SCIENCE AND TECHNOLOGY ENHANCEMENT INSTITUTE PROGRAM.

The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended by inserting after section 19 the following:

''SEC. 19A. (a) The Director shall establish within the Institute a teacher science and technology enhancement program to provide for professional development of mathematics and science teachers of elementary, middle, and secondary schools (as those terms are defined by the Director), including providing for the improvement of those teachers with respect to the understanding of science and the impacts of science on commerce.

''(b) In carrying out the program under this section, the Director shall focus on the areas of—

''(1) scientific measurements;

''(2) tests and standards development;

''(3) industrial competitiveness and quality;

''(4) manufacturing;

''(5) technology transfer; and

''(6) any other area of expertise of the Institute that the Director determines to be appropriate.

''(c) The Director shall develop and issue procedures and selection criteria for participants in the program.

''(d) The program under this section shall be conducted on an annual basis during the summer months, during the period of time when a majority of elementary, middle, and secondary schools have not commenced a school year.

''(e) The program shall provide for teachers' participation in activities at the laboratory facilities of the Institute, or shall utilize other means of accomplishing the goals of the program as determined by the Director, which may include the Internet, video conferencing and recording, and workshops and conferences.''.

SEC. 8. OFFICE OF SPACE COMMERCIALIZATION.

(a) ESTABLISHMENT.—There is established within the Department of Commerce an Office of Space Commercialization (referred to in this section as the ''Office'').

(b) DIRECTOR.—The Office shall be headed by a Director, who shall be a senior executive and shall be compensated at a level in the Senior Executive Service under section 5382 of title 5, United States Code, as determined by the Secretary of Commerce.

(c) FUNCTIONS OF THE OFFICE; DUTIES OF THE DIRECTOR.—The Office shall be the principal unit for the coordination of space-related issues, programs, and initiatives within the Department of Commerce. The primary responsibilities of the Director, in carrying out the functions of the Office, shall include—

(1) promoting commercial provider investment in space activities by collecting, analyzing, and disseminating information on space markets, and conducting workshops and seminars to increase awareness of commercial space opportunities;

(2) assisting United States commercial providers in the efforts of those providers to conduct business with the United States Government;

(3) acting as an industry advocate within the executive branch of the Federal Government to ensure that the Federal Government meets the space-related requirements of the Federal Government, to the fullest extent feasible, using commercially available space goods and services;

(4) ensuring that the United States Government does not compete with United States commercial providers in the provision of space hardware and services otherwise available from United States commercial providers;

(5) promoting the export of space-related goods and services;

(6) representing the Department of Commerce in the development of United States policies and in negotiations with foreign countries to ensure free and fair trade internationally in the area of space commerce; and

(7) seeking the removal of legal, policy, and institutional impediments to space commerce.

SEC. 9. EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE TECHNOLOGY.

Section 5 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3704) is amended by adding at the end the following:

''(f) EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE TECHNOLOGY.—

''(1) IN GENERAL.—The Secretary, acting through the Under Secretary, shall establish for fiscal year 1999 a program to be known as the Experimental Program to Stimulate Competitive Technology (referred to in this subsection as the 'program'). The purpose of the program shall be to strengthen the technological competitiveness of those States that have historically received less Federal research and development funds than those received by a majority of the States.

''(2) ARRANGEMENTS.—In carrying out the program, the Secretary, acting through the Under Secretary, shall—

''(A) enter into such arrangements as may be necessary to provide for the coordination of the program through the State committees established under the Experimental Program to Stimulate Competitive Research of the National Science Foundation; and

''(B) cooperate with—

''(i) any State science and technology council established under the program under subparagraph (A); and

''(ii) representatives of small business firms and other appropriate technology-based businesses.

''(3) GRANTS AND COOPERATIVE AGREEMENTS.—In carrying out the program, the Secretary, acting through the Under Secretary, may make grants or enter into cooperative agreements to provide for—

''(A) technology research and development;

''(B) technology transfer from university research;

''(C) technology deployment and diffusion; and

''(D) the strengthening of technological capabilities through consortia comprised of—

''(i) technology-based small business firms;

''(ii) industries and emerging companies;

''(iii) universities; and

''(iv) State and local development agencies and entities.

''(4) REQUIREMENTS FOR MAKING AWARDS.—

''(A) IN GENERAL.—In making awards under this subsection, the Secretary, acting through the Under Secretary, shall ensure that the awards are awarded on a competitive basis that includes a review of the merits of the activities that are the subject of the award.

''(B) MATCHING REQUIREMENT.—The non-Federal share of the activities (other than planning activities) carried out under an award under this subsection shall be not less than 25 percent of the cost of those activities.

''(5) CRITERIA FOR STATES.—The Secretary, acting through the Under Secretary, shall establish criteria for achievement by each State that participates in the program. Upon the achievement of all such criteria, a State shall cease to be eligible to participate in the program.

''(6) COORDINATION.—To the extent practicable, in carrying out this subsection, the Secretary, acting through the Under Secretary, shall coordinate the program with other programs of the Department of Commerce.

''(7) REPORT.—

''(A) IN GENERAL.—Not later than 90 days after the date of enactment of the Technology Administration Act of 1998, the Under Secretary shall prepare and submit a report that meets the requirements of this paragraph to the Secretary. Upon receipt of the report, the Secretary shall transmit a copy of the report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives.

''(B) REQUIREMENTS FOR REPORT.—The report prepared under this paragraph shall contain with respect to the program—

''(i) a description of the structure and procedures of the program;

''(ii) a management plan for the program;

''(iii) a description of the merit-based review process to be used in the program;

''(iv) milestones for the evaluation of activities to be assisted under the program in fiscal year 1999;

''(v) an assessment of the eligibility of each State that participates in the Experimental Program to Stimulate Competitive Research of the National Science Foundation to participate in the program under this subsection; and

''(vi) the evaluation criteria with respect to which the overall management and effectiveness of the program will be evaluated.''.

SEC. 10. NATIONAL TECHNOLOGY MEDAL FOR ENVIRONMENTAL TECHNOLOGY.

In the administration of section 16 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3711), Environmental Technology shall be established as a separate nomination category with appropriate unique criteria for that category.

SEC. 11. INTERNATIONAL ARCTIC RESEARCH CENTER.

The Congress finds that the International Arctic Research Center is an internationally-supported effort to conduct important weather and climate studies, and other research projects of benefit to the United States. It is, therefore, the sense of the Congress that, as with similar research conducted in the Antarctic, the United States should provide similar support for this important effort.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Michigan (Mr. BARCIA) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1274.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 1274, the Technology Administration Act of 1998. This is legislation that I introduced on April 10 of 1997. The bill is a bipartisan effort to address a number of important legislative issues facing the Technology Administration and the National Institute of Standards and Technology.

NIST is the Nation's oldest Federal laboratory. It was established by Congress in 1901 as the National Bureau of Standards, and subsequently renamed NIST. As part of the Department of Commerce, NIST's mission is to promote economic growth by working with industry to develop and apply technology measurements and standards, this bill is applicable. As the Nation's arbiter of standards, NIST enables our Nation's businesses to engage each other in commerce and participate in the global marketplace.

□ 1345

The precise measurements required for establishing standards associated with today's increasingly complex technologies required NIST laboratories to maintain the most sophisticated equipment and the most talented scientists in the world. To date NIST has succeeded and the science conducted by the institute is a vital component of the Nation's civilian research and technology development base.

H.R. 1274 takes a number of important steps to address critical issues associated with two NIST programs, the Malcolm Baldrige Quality Awards program and the Manufacturing Extension Partnership program.

First, the bill authorizes the expansion of the Malcolm Baldrige Quality Awards program into the field of health care and education. I believe this expansion will allow the benefits of the total quality management approach, inherent in the administration of the Baldrige Award winning companies, to spill over into these two vital segments of our Nation's economy.

Second, H.R. 1274 lifts the six-year sunset requirement for the MEP centers. The required sunset, which disallows Federal funding of centers after the sixth year of their existence, has annually been lifted through the appropriations process. The annual nature of the reprieve, however, has added a degree of uncertainty to the operation of the centers, thereby decreasing the effectiveness of the Manufacturing Extension Partnership program.

The bill also contains a new program to enable NIST to assist elementary through secondary school math and science teachers to better understand science by giving them access to NIST laboratories and scientists during the summer months. And through this new initiative, teachers will get an opportunity to learn from some of the leading scientists in the world by observing and participating in NIST's cutting edge laboratory research. What a good idea.

The bill also officially establishes the Office of Space Commercialization at Technology Administration. While the office already exists, it has been without a charter for over a decade. Finally, the office will be getting the legislative authorization that it requires.

In addition, the bill establishes for one year the Experimental Program to Stimulate Competitive Technology, EPSCOT is the acronym. Since it is clear that EPSCOT will receive funding in fiscal year 1999, I believe it is appropriate to create guidelines for the program. That being said, the establishment should not be viewed as an endorsement of the program beyond fiscal year 1999.

Section 9 of the bill specifies that EPSCOT be established only for fiscal year 1999. In the absence of future legislation, EPSCOT cannot be viewed as an authorized program beyond October 1, 1999. Finally, Mr. Speaker, the bill contains a number of good government provisions, including a requirement that the Department of Commerce consult with Congress before reprogramming funds for conducting a major reorganization of NIST or TA programs, and it includes a sense of Congress on the year 2000 computer problem.

As a strong proponent of addressing this impending year 2000 crisis, I am pleased that this provision has not only been included in the Technology Administration bill, but all authorizations of the Committee on Science. I am hopeful that with continued pressure from the Committee on Science and Congress, the administration will fix the problem before it is too late. And I want to point out that we just earlier today had a bill, the Year 2000 Preparedness Act, which we have had under suspension, which was bipartisan in nature and a very important measure with regard to the Year 2000.

Mr. Speaker, I urge all my colleagues to support H.R. 1274 and to vote to send it to the President for his signature.

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

Mr. BARCIA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1274, the Technology Administration Act of 1998. This bill is the result of compromise between the House and Senate and addresses some of the more pressing problems at the Technology Administration and the National Institute of Standards and Technology.

I would like to briefly mention two key provisions in the bill. As most Members are aware, the Manufacturing Extension Partnerships program is a Federal/State/private partnership to assist small and medium-sized businesses. The MEP is one of the most successful government industry partnerships of its kind. However, the original language establishing the program called for terminating the Federal funding share after an MEP center had been in operation for 6 years. Numerous witnesses appearing before the Subcommittee on Technology have stated that terminating funding after 6 years would not allow MEP centers to meet the objectives of the program. House Resolution 1274 finally resolves this issue by amending the original language to lift the six-year cap on Federal funding and to limit Federal funds to no more than one-third of the center's cost.

This is a major step forward in the program and will ensure the long-term financial stability of the overall program.

In addition, H.R. 1274 expands the highly successful Malcolm Baldrige Quality Program to include two new categories in health care and education. The Baldrige Quality Award has become a benchmark for quality programs throughout the Nation and is strongly supported by the private sector through direct financial contributions and manpower. The Baldrige Quality Program has already completed pilot programs in these two new areas, and the expansion of the award program was strongly endorsed both by the Baldrige Foundation board and education and health care professionals.

I urge my colleagues to support this bill. And on a final note, I want to say what a pleasure and privilege it has been to have the opportunity of working with the gentlewoman from Maryland (Mrs. MORELLA) this past year. If we look at the track record of our subcommittee, I think it is clear to anyone who would review that that we have had a very active and certainly achieved a very extensive legislative record in the subcommittee. And that is due in no small part to the tremendous bipartisan leadership we have seen by the gentlewoman from Maryland (Mrs. MORELLA). Her leadership style, her energy and the ambitious agenda that have tackled this past year are certainly a compliment to her style of leadership on that subcommittee and the other members who serve on that subcommittee.

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

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Again, I think this is an example of a bipartisan effort where the American people benefit. For me also it has been a great pleasure to work with the distinguished ranking member the gentleman from Michigan (Mr. BARCIA). We have looked at each issue. We have looked it from all points of view and have worked together in concert working with other members of the subcommittee and the full committee to achieve what we felt was important. Again, I thank him.

Nothing happens without a lot of people working on it. I would certainly like to thank the chairman of the full committee, the gentleman from Wisconsin (Mr. SENSENBRENNER), who came to the rescue when there was a possibility that this bill could fall through the cracks. I appreciate very much what he did on our behalf and on behalf of the Nation, also our ranking member on the full committee, the gentleman from California (Mr. BROWN). I mentioned the gentleman from Michigan (Mr. BARCIA), and also the staffs.

We are lucky. We have some terrific staff people who follow through inch by inch on each one of these projects that we are involved in. On my side of the aisle Richard Russell, Barry Beringer, Mike Bell; on Mr. Barcia's side, I know Mike Quear and Jim Turner have been very helpful. They have worked in a bipartisan basis.

Mr. Speaker, I urge all of my colleagues to support H.R. 1274 and vote to send it to the President for his signature.

Mr. SENSENBRENNER. Mr. Speaker, I rise today in support of H.R. 1274, the Technology Administration Act of 1997. The bill includes a variety of provisions that will allow the Technology Administration (TA) and the National Institute of Standards and Technology (NIST) to move forward with their missions.

The bill establishes in law the requirement that the Department of Commerce must consult with Congress before reprogramming funding for, or from, any NIST or TA programs. The bill further requires that Commerce must consult with Congress before conducting a major reorganization. I view these two new changes to permanent law as vital to the Science Committee's ability to continue its oversight on the programs of TA and NIST.

The bill also includes a Sense of Congress on the Year 2000 computer problem. This Sense of Congress is intended to continue the pressure on the Department of Commerce to fix its Year 2000 problem before it is too late. The Science Committee has included similar provisions in all its House-passed authorizations, and I think they send a powerful signal to the Administration that Congress is taking this issue very seriously.

The bill also authorizes two new awards for the Malcolm Baldridge Quality Awards Program. These new awards in healthcare and education were included in H.R. 1274, as passed by the House last year.

Additionally, the bill lifts the six-year sunset requirement on Manufacturing Extension Partnership (MEP) program centers. Again, similar language passed the House last year.

The bill contains language establishing the Office of Space Commercialization. The office has existed for a decade, but has been without a legislative charter. The language will not expand the office's responsibilities, but will give it a clear statutorily defined mission. This language passed the House last April as part of H.R. 1275, the National Aeronautics and Space Administration Authorization Bill.

The bill also contains a new program to bring science and math teachers into NIST's laboratories during the summer months. The program is intended to improve teacher understanding of science through direct experience working along side or observing some of the world's best scientists at one of our leading national laboratories. The program will require no new facilities and the bill includes no new authorizations of funds for the program, it will be carried out within NIST's existing laboratory budget.

The bill also creates for one year the Experimental Program to Stimulate Competitive Technology (EPSCOT). EPSCOT was funded last year and has been included in both the House and Senate Commerce, Justice, States Appropriations bills. It will receive funding in Fiscal Year (FY) 1999. The language in H.R. 1274 creates guidelines for the program. It also specifies that the program is only established for FY 1999.

Finally, I would like to remark on what is not in the bill. The bill contains no authorization's of appropriations. While H.R. 1274 passed the House last year in advance of the FY 1998 appropriations process, and included authorization for TA and NIST for FY 1998 and 1999 totaling over a billion dollars, the bill, however, returned from the Senate after the FY 1999 appropriations process had all but concluded, and therefore the authorizations have been removed from the bill.

Additionally, this bill does not in any way authorize the Advanced Technology Program (ATP). ATP was reformed and authorized in H.R. 1274 when it passed the House in 1997. In negotiations with the Senate, no agreement could be reached on a reasonable funding and reform package, and, therefore, all provisions dealing with ATP were stripped from the bill.

Mr. Speaker, I would like to commend Technology Subcommittee Chairwoman MORELLA for her hard work on this measure, and I urge all my colleagues to support H.R. 1274 and vote to send it to the President for his signature.

Ms. JACKSON-LEE of Texas. Mr. Speaker, as a co-sponsor to this bill, I rise to speak on behalf of H.R. 1274, which authorizes the National Institute of Standards and Technology (NIST) for the fiscal years of 1998 and 1999.

The National Institute of Standards and Technology is a subdivision of the Department of Commerce charged with assisting private industry in advancing their manufacturing processes, ensuring the reliability and stability of new products and services, and facilitating the commercialization of breakthrough technology developed with the support of government labs and programs.

One of the most important programs run by NIST is the Advanced Technology Program (ATP), which I have strongly supported in the past. That program attempts to assist private industries perform the research and development (R&D) necessary for success in the

long-term. It does so by creating a partnership between a private company and NIST, in which each shares part of the cost of this incredibly important, and expensive, R&D.

However, I would like to make it very clear that ATP is not corporate welfare. ATP requires that the technology being developed have a broad application, so that its impact will bring benefits to all of society. Furthermore, no ATP funds can be used for product development—all grant monies are used to support technologies that are essential for the development of new products and processes and have diverse applications. That way, all manufacturers, and therefore, all consumers, benefit from this research. Furthermore, to receive an ATP award, a company must pass a series of rigorous competitions which are designed to select proposals that have the highest potential for further innovation, and the broadest applicability to United States industry as a whole.

ATP is not the only important program at NIST. As their name implies, NIST assists private industry develop standards that can be used across an entire market segment. For instance, NIST is instrumental in ensuring that industries that are developing new communications devices, like wireless phones, do so on common ground. The benefit is that all of our wireless phones can speak with each other, and we are not forced to work with proprietary systems that incompatible and, therefore, unprofitable.

Furthermore, NIST, on its own, engages in important research that will change our lives. For instance, NIST has recently begun to develop new technologies that can be used to improve our satellite's remote sensing capabilities so that we can better gauge our environmental phenomena. That same technology can also be used by doctors to improve the treatment of their patients, because they can view the human body in new and wondrous ways.

I urge all of you to vote for this bill, and continue to support our government's scientific partnership with private industry.

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

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 1274.

The question was taken.

Mr. BARCIA. Mr. Speaker, I object to the vote on the ground that a quorum is present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

ECONOMIC DEVELOPMENT ADMINISTRATION AND APPALACHIAN REGIONAL DEVELOPMENT REFORM ACT OF 1998

Mr. SHUSTER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2364) to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

The Clerk read as follows:

S. 2364

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Economic Development Administration and Appalachian Regional Development Reform Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—ECONOMIC DEVELOPMENT

Sec. 101. Short title.
Sec. 102. Reauthorization of Public Works and Economic Development Act of 1965.
Sec. 103. Conforming amendment.
Sec. 104. Transition provisions.
Sec. 105. Effective date.

TITLE II—APPALACHIAN REGIONAL DEVELOPMENT

Sec. 201. Short title.
Sec. 202. Findings and purposes.
Sec. 203. Meetings.
Sec. 204. Administrative expenses.
Sec. 205. Compensation of employees.
Sec. 206. Administrative powers of Commission.
Sec. 207. Cost sharing of demonstration health projects.
Sec. 208. Repeal of land stabilization, conservation, and erosion control program.
Sec. 209. Repeal of timber development program.
Sec. 210. Repeal of mining area restoration program.
Sec. 211. Repeal of water resource survey.
Sec. 212. Cost sharing of housing projects.
Sec. 213. Repeal of airport safety improvements program.
Sec. 214. Cost sharing of vocational education and education demonstration projects.
Sec. 215. Repeal of sewage treatment works program.
Sec. 216. Repeal of amendments to Housing Act of 1954.
Sec. 217. Supplements to Federal grant-in-aid programs.
Sec. 218. Program development criteria.
Sec. 219. Distressed and economically strong counties.
Sec. 220. Grants for administrative expenses and commission projects.
Sec. 221. Authorization of appropriations for general program.
Sec. 222. Extension of termination date.
Sec. 223. Technical amendment.

TITLE I—ECONOMIC DEVELOPMENT

SEC. 101. SHORT TITLE.

This title may be cited as the ''Economic Development Administration Reform Act of 1998''.

SEC. 102. REAUTHORIZATION OF PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965.

(a) FIRST SECTION THROUGH TITLE VI—The Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.) is amended by striking the first section and all that follows through the end of title VI and inserting the following:

''SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This Act may be cited as the 'Public Works and Economic Development Act of 1965'.

''(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

''Sec. 1. Short title; table of contents.
''Sec. 2. Findings and declarations.
''Sec. 3. Definitions.

''TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS COOPERATION AND COORDINATION

''Sec. 101. Establishment of economic development partnerships.
''Sec. 102. Cooperation of Federal agencies.
''Sec. 103. Coordination.

''TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

''Sec. 201. Grants for public works and economic development.
''Sec. 202. Base closings and realignments.
''Sec. 203. Grants for planning and grants for administrative expenses.
''Sec. 204. Cost sharing.
''Sec. 205. Supplementary grants.
''Sec. 206. Regulations on relative needs and allocations.
''Sec. 207. Grants for training, research, and technical assistance.
''Sec. 208. Prevention of unfair competition.
''Sec. 209. Grants for economic adjustment.
''Sec. 210. Changed project circumstances.
''Sec. 211. Use of funds in projects constructed under projected cost.
''Sec. 212. Reports by recipients.
''Sec. 213. Prohibition on use of funds for attorney's and consultant's fees.

''TITLE III—ELIGIBILITY; COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

''Sec. 301. Eligibility of areas.
''Sec. 302. Comprehensive economic development strategies.

''TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

''Sec. 401. Designation of economic development districts.
''Sec. 402. Termination or modification of economic development districts.
''Sec. 403. Incentives.
''Sec. 404. Provision of comprehensive economic development strategies to Appalachian Regional Commission.
''Sec. 405. Assistance to parts of economic development districts not in eligible areas.

''TITLE V—ADMINISTRATION

''Sec. 501. Assistant Secretary for Economic Development.
''Sec. 502. Economic development information clearinghouse.
''Sec. 503. Consultation with other persons and agencies.
''Sec. 504. Administration, operation, and maintenance.
''Sec. 505. Businesses desiring Federal contracts.
''Sec. 506. Performance evaluations of grant recipients.
''Sec. 507. Notification of reorganization.

''TITLE VI—MISCELLANEOUS

''Sec. 601. Powers of Secretary.
''Sec. 602. Maintenance of standards.
''Sec. 603. Annual report to Congress.
''Sec. 604. Delegation of functions and transfer of funds among Federal agencies.
''Sec. 605. Penalties.
''Sec. 606. Employment of expediters and administrative employees.
''Sec. 607. Maintenance and public inspection of list of approved applications for financial assistance.
''Sec. 608. Records and audits.
''Sec. 609. Relationship to assistance under other law.
''Sec. 610. Acceptance of certifications by applicants.

''TITLE VII—FUNDING

''Sec. 701. General authorization of appropriations.

''Sec. 702. Authorization of appropriations for defense conversion activities.
''Sec. 703. Authorization of appropriations for disaster economic recovery activities.

''SEC. 2. FINDINGS AND DECLARATIONS.

''(a) FINDINGS.—Congress finds that—

''(1) while the economy of the United States is undergoing a sustained period of economic growth resulting in low unemployment and increasing incomes, there continue to be areas suffering economic distress in the form of high unemployment, low incomes, underemployment, and outmigration as well as areas facing sudden economic dislocations due to industrial restructuring and relocation, defense base closures and procurement cutbacks, certain Federal actions (including environmental requirements that result in the removal of economic activities from a locality), and natural disasters;

''(2) as the economy of the United States continues to grow, those distressed areas contain significant human and infrastructure resources that are underused;

''(3) expanding international trade and the increasing pace of technological innovation offer both a challenge and an opportunity to the distressed communities of the United States;

''(4) while economic development is an inherently local process, the Federal Government should work in partnership with public and private local, regional, and State organizations to ensure that existing resources are not wasted and all Americans have an opportunity to participate in the economic growth of the United States;

''(5) in order to avoid wasteful duplication of effort and to limit the burden on distressed communities, Federal, State, and local economic development activities should be better planned and coordinated and Federal program requirements should be simplified and made more consistent;

''(6) the goal of Federal economic development activities should be to work in partnership with local, regional, and State public and private organizations to support the development of private sector businesses and jobs in distressed communities;

''(7) Federal economic development efforts will be more effective if they are coordinated with, and build upon, the trade and technology programs of the United States; and

''(8) under this Act, new employment opportunities should be created by developing and expanding new and existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

''(b) DECLARATIONS.—Congress declares that, in order to promote a strong and growing economy throughout the United States—

''(1) assistance under this Act should be made available to both rural and urban distressed communities;

''(2) local communities should work in partnership with neighboring communities, the States, and the Federal Government to increase their capacity to develop and implement comprehensive economic development strategies to address existing, or deter impending, economic distress; and

''(3) whether suffering from long-term distress or a sudden dislocation, distressed communities should be encouraged to take advantage of the development opportunities afforded by technological innovation and expanding and newly opened global markets.

''SEC. 3. DEFINITIONS.

''In this Act:

''(1) COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY.—The term 'comprehensive economic development strategy' means a comprehensive economic development strategy approved by the Secretary under section 302.

''(2) DEPARTMENT.—The term 'Department' means the Department of Commerce.

''(3) ECONOMIC DEVELOPMENT DISTRICT.—

''(A) IN GENERAL.—The term 'economic development district' means any area in the United States that—

''(i) is composed of areas described in section 301(a) and, to the extent appropriate, neighboring counties or communities; and

''(ii) has been designated by the Secretary as an economic development district under section 401.

''(B) INCLUSION.—The term 'economic development district' includes any economic development district designated by the Secretary under section 403 (as in effect on the day before the effective date of the Economic Development Administration Reform Act of 1998).

''(4) ELIGIBLE RECIPIENT.—

''(A) IN GENERAL.—The term 'eligible recipient' means—

''(i) an area described in section 301(a);

''(ii) an economic development district;

''(iii) an Indian tribe;

''(iv) a State;

''(v) a city or other political subdivision of a State or a consortium of political subdivisions;

''(vi) an institution of higher education or a consortium of institutions of higher education; or

''(vii) a public or private nonprofit organization or association acting in cooperation with officials of a political subdivision of a State.

''(B) TRAINING, RESEARCH, AND TECHNICAL ASSISTANCE GRANTS.—In the case of grants under section 207, the term 'eligible recipient' also includes private individuals and for-profit organizations.

''(5) FEDERAL AGENCY.—The term 'Federal agency' means a department, agency, or instrumentality of the United States.

''(6) GRANT.—The term 'grant' includes a cooperative agreement (within the meaning of chapter 63 of title 31, United States Code).

''(7) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or Regional Corporation (as defined in or established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

''(8) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

''(9) STATE.—The term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(10) UNITED STATES.—The term 'United States' means all of the States.

''TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS COOPERATION AND COORDINATION

''SEC. 101. ESTABLISHMENT OF ECONOMIC DEVELOPMENT PARTNERSHIPS.

''(a) IN GENERAL.—In providing assistance under this title, the Secretary shall cooperate with States and other entities to ensure that, consistent with national objectives, Federal programs are compatible with and further the objectives of State, regional, and local economic development plans and comprehensive economic development strategies.

''(b) TECHNICAL ASSISTANCE.—The Secretary may provide such technical assistance to States, political subdivisions of States, sub-State regional organizations (including organizations that cross State boundaries), and multi-State regional organizations as the Secretary determines is appropriate to—

''(1) alleviate economic distress;

''(2) encourage and support public-private partnerships for the formation and improvement of economic development strategies that sustain and promote economic development across the United States; and

''(3) promote investment in infrastructure and technological capacity to keep pace with the changing global economy.

''(c) INTERGOVERNMENTAL REVIEW.—The Secretary shall promulgate regulations to ensure that appropriate State and local government agencies have been given a reasonable opportunity to review and comment on proposed projects under this title that the Secretary determines may have a significant direct impact on the economy of the area.

''(d) COOPERATION AGREEMENTS.—

''(1) IN GENERAL.—The Secretary may enter into a cooperation agreement with any 2 or more adjoining States, or an organization of any 2 or more adjoining States, in support of effective economic development.

''(2) PARTICIPATION.—Each cooperation agreement shall provide for suitable participation by other governmental and nongovernmental entities that are representative of significant interests in and perspectives on economic development in an area.

''SEC. 102. COOPERATION OF FEDERAL AGENCIES.

''In accordance with applicable laws and subject to the availability of appropriations, each Federal agency shall exercise its powers, duties and functions, and shall cooperate with the Secretary, in such manner as will assist the Secretary in carrying out this title.

''SEC. 103. COORDINATION.

''The Secretary shall coordinate activities relating to the preparation and implementation of comprehensive economic development strategies under this Act with Federal agencies carrying out other Federal programs, States, economic development districts, and other appropriate planning and development organizations.

''TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

''SEC. 201. GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT.

''(a) IN GENERAL.—On the application of an eligible recipient, the Secretary may make grants for—

''(1) acquisition or development of land and improvements for use for a public works, public service, or development facility; and

''(2) acquisition, design and engineering, construction, rehabilitation, alteration, expansion, or improvement of such a facility, including related machinery and equipment.

''(b) CRITERIA FOR GRANT.—The Secretary may make a grant under this section only if the Secretary determines that—

''(1) the project for which the grant is applied for will, directly or indirectly—

''(A) improve the opportunities, in the area where the project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities;

''(B) assist in the creation of additional long-term employment opportunities in the area; or

''(C) primarily benefit the long-term unemployed and members of low-income families;

''(2) the project for which the grant is applied for will fulfill a pressing need of the area, or a part of the area, in which the project is or will be located; and

''(3) the area for which the project is to be carried out has a comprehensive economic development strategy and the project is consistent with the strategy.

''(c) MAXIMUM ASSISTANCE FOR EACH STATE.—Not more than 15 percent of the amounts made available to carry out this section may be expended in any 1 State.

''SEC. 202. BASE CLOSINGS AND REALIGNMENTS.

''Notwithstanding any other provision of law, the Secretary may provide to an eligible recipient any assistance available under this title for a project to be carried out on a military or Department of Energy installation that is closed or scheduled for closure or realignment without requiring that the eligible recipient have title to the property or a leasehold interest in the property for any specified term.

''SEC. 203. GRANTS FOR PLANNING AND GRANTS FOR ADMINISTRATIVE EXPENSES.

''(a) IN GENERAL.—On the application of an eligible recipient, the Secretary may make grants to pay the costs of economic development planning and the administrative expenses of organizations that carry out the planning.

''(b) PLANNING PROCESS.—Planning assisted under this title shall be a continuous process involving public officials and private citizens in—

''(1) analyzing local economies;

''(2) defining economic development goals;

''(3) determining project opportunities; and

''(4) formulating and implementing an economic development program that includes systematic efforts to reduce unemployment and increase incomes.

''(c) USE OF PLANNING ASSISTANCE.—Planning assistance under this title shall be used in conjunction with any other available Federal planning assistance to ensure adequate and effective planning and economical use of funds.

''(d) STATE PLANS.—

''(1) DEVELOPMENT.—Any State plan developed with assistance under this section shall be developed cooperatively by the State, political subdivisions of the State, and the economic development districts located wholly or partially in the State.

''(2) COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY.—As a condition of receipt of assistance for a State plan under this subsection, the State shall have or develop a comprehensive economic development strategy.

''(3) CERTIFICATION TO THE SECRETARY.—On completion of a State plan developed with assistance under this section, the State shall—

''(A) certify to the Secretary that, in the development of the State plan, local and economic development district plans were considered and, to the maximum extent practicable, the State plan is consistent with the local and economic development district plans; and

''(B) identify any inconsistencies between the State plan and the local and economic development district plans and provide a justification for each inconsistency.

''(4) COMPREHENSIVE PLANNING PROCESS.—Any overall State economic development planning assisted under this section shall be a part of a comprehensive planning process that shall consider the provision of public works to—

''(A) promote economic development and opportunity;

''(B) foster effective transportation access;

''(C) enhance and protect the environment; and

''(D) balance resources through the sound management of physical development.

''(5) REPORT TO SECRETARY.—Each State that receives assistance for the development of a plan under this subsection shall submit to the Secretary an annual report on the planning process assisted under this subsection.

''SEC. 204. COST SHARING.

''(a) FEDERAL SHARE.—Subject to section 205, the amount of a grant for a project under this title shall not exceed 50 percent of the cost of the project.

''(b) NON-FEDERAL SHARE.—In determining the amount of the non-Federal share of the cost of a project, the Secretary may provide credit toward the non-Federal share for all contributions both in cash and in-kind, fairly evaluated, including contributions of space, equipment, and services.

''SEC. 205. SUPPLEMENTARY GRANTS.

''(a) DEFINITION OF DESIGNATED FEDERAL GRANT PROGRAM.—In this section, the term 'designated Federal grant program' means any Federal grant program that—

''(1) provides assistance in the construction or equipping of public works, public service, or development facilities;

''(2) the Secretary designates as eligible for an allocation of funds under this section; and

''(3) assists projects that are—

''(A) eligible for assistance under this title; and

''(B) consistent with a comprehensive economic development strategy.

''(b) SUPPLEMENTARY GRANTS.—

''(1) IN GENERAL.—On the application of an eligible recipient, the Secretary may make a supplementary grant for a project for which the eligible recipient is eligible but, because of the eligible recipient's economic situation, for which the eligible recipient cannot provide the required non-Federal share.

''(2) PURPOSES OF GRANTS.—Supplementary grants under paragraph (1) may be made for purposes that shall include enabling eligible recipients to use—

''(A) designated Federal grant programs; and

''(B) direct grants authorized under this title.

''(c) REQUIREMENTS APPLICABLE TO SUPPLEMENTARY GRANTS.—

''(1) AMOUNT OF SUPPLEMENTARY GRANTS.—Subject to paragraph (4), the amount of a supplementary grant under this title for a project shall not exceed the applicable percentage of the cost of the project established by regulations promulgated by the Secretary, except that the non-Federal share of the cost of a project (including assumptions of debt) shall not be less than 20 percent.

''(2) FORM OF SUPPLEMENTARY GRANTS.—In accordance with such regulations as the Secretary may promulgate, the Secretary shall make supplementary grants by increasing the amounts of grants authorized under this title or by the payment of funds made available under this Act to the heads of the Federal agencies responsible for carrying out the applicable Federal programs.

''(3) FEDERAL SHARE LIMITATIONS SPECIFIED IN OTHER LAWS.—Notwithstanding any requirement as to the amount or source of non-Federal funds that may be applicable to a Federal program, funds provided under this section may be used to increase the Federal share for specific projects under the program that are carried out in areas described in section 301(a) above the Federal share of the cost of the project authorized by the law governing the program.

''(4) LOWER NON-FEDERAL SHARE.—

''(A) INDIAN TRIBES.—In the case of a grant to an Indian tribe, the Secretary may reduce the non-Federal share below the percentage specified in paragraph (1) or may waive the non-Federal share.

''(B) CERTAIN STATES, POLITICAL SUBDIVISIONS, AND NONPROFIT ORGANIZATIONS.—In the case of a grant to a State, or a political subdivision of a State, that the Secretary determines has exhausted its effective taxing and borrowing capacity, or in the case of a grant to a nonprofit organization that the Secretary determines has exhausted its effective borrowing capacity, the Secretary may reduce the non-Federal share below the percentage specified in paragraph (1).

''SEC. 206. REGULATIONS ON RELATIVE NEEDS AND ALLOCATIONS.

''In promulgating rules, regulations, and procedures for assistance under this title, the Secretary shall ensure that—

''(1) the relative needs of eligible areas are given adequate consideration by the Secretary, as determined based on, among other relevant factors—

''(A) the severity of the rates of unemployment in the eligible areas and the duration of the unemployment;

''(B) the income levels and the extent of underemployment in eligible areas; and

''(C) the outmigration of population from eligible areas and the extent to which the outmigration is causing economic injury in the eligible areas; and

''(2) allocations of assistance under this title are prioritized to ensure that the level of economic distress of an area, rather than a preference for a geographic area or a specific type of economic distress, is the primary factor in allocating the assistance.

''SEC. 207. GRANTS FOR TRAINING, RESEARCH, AND TECHNICAL ASSISTANCE.

''(a) IN GENERAL.—

''(1) GRANTS.—On the application of an eligible recipient, the Secretary may make grants for training, research, and technical assistance, including grants for program evaluation and economic impact analyses, that would be useful in alleviating or preventing conditions of excessive unemployment or underemployment.

''(2) TYPES OF ASSISTANCE.—Grants under paragraph (1) may be used for—

''(A) project planning and feasibility studies;

''(B) demonstrations of innovative activities or strategic economic development investments;

''(C) management and operational assistance;

''(D) establishment of university centers;

''(E) establishment of business outreach centers;

''(F) studies evaluating the needs of, and development potential for, economic growth of areas that the Secretary determines have substantial need for the assistance; and

''(G) other activities determined by the Secretary to be appropriate.

''(3) REDUCTION OR WAIVER OF NON-FEDERAL SHARE.—In the case of a project assisted under this section, the Secretary may reduce or waive the non-Federal share, without regard to section 204 or 205, if the Secretary finds that the project is not feasible without, and merits, such a reduction or waiver.

''(b) METHODS OF PROVISION OF ASSISTANCE.—In providing research and technical assistance under this section, the Secretary, in addition to making grants under subsection (a), may—

''(1) provide research and technical assistance through officers or employees of the Department;

''(2) pay funds made available to carry out this section to Federal agencies; or

''(3) employ private individuals, partnerships, businesses, corporations, or appropriate institutions under contracts entered into for that purpose.

''SEC. 208. PREVENTION OF UNFAIR COMPETITION.

''No financial assistance under this Act shall be extended to any project when the result would be to increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or

facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises.

"SEC. 209. GRANTS FOR ECONOMIC ADJUSTMENT.

''(a) IN GENERAL.—On the application of an eligible recipient, the Secretary may make grants for development of public facilities, public services, business development (including funding of a revolving loan fund), planning, technical assistance, training, and any other assistance to alleviate long-term economic deterioration and sudden and severe economic dislocation and further the economic adjustment objectives of this title.

''(b) CRITERIA FOR ASSISTANCE.—The Secretary may provide assistance under this section only if the Secretary determines that—

''(1) the project will help the area to meet a special need arising from—

''(A) actual or threatened severe unemployment; or

''(B) economic adjustment problems resulting from severe changes in economic conditions; and

''(2) the area for which a project is to be carried out has a comprehensive economic development strategy and the project is consistent with the strategy, except that this paragraph shall not apply to planning projects.

''(c) PARTICULAR COMMUNITY ASSISTANCE.—Assistance under this section may include assistance provided for activities identified by communities, the economies of which are injured by—

''(1) military base closures or realignments, defense contractor reductions in force, or Department of Energy defense-related funding reductions, for help in diversifying their economies through projects to be carried out on Federal Government installations or elsewhere in the communities;

''(2) disasters or emergencies, in areas with respect to which a major disaster or emergency has been declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), for post-disaster economic recovery;

''(3) international trade, for help in economic restructuring of the communities; or

''(4) fishery failures, in areas with respect to which a determination that there is a commercial fishery failure has been made under section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)).

''(d) DIRECT EXPENDITURE OR REDISTRIBUTION BY RECIPIENT.—

''(1) IN GENERAL.—Subject to paragraph (2), an eligible recipient of a grant under this section may directly expend the grant funds or may redistribute the funds to public and private entities in the form of a grant, loan, loan guarantee, payment to reduce interest on a loan guarantee, or other appropriate assistance.

''(2) LIMITATION.—Under paragraph (1), an eligible recipient may not provide any grant to a private for-profit entity.

"SEC. 210. CHANGED PROJECT CIRCUMSTANCES.

''In any case in which a grant (including a supplementary grant described in section 205) has been made by the Secretary under this title (or made under this Act, as in effect on the day before the effective date of the Economic Development Administration Reform Act of 1998) for a project, and, after the grant has been made but before completion of the project, the purpose or scope of the project that was the basis of the grant is modified, the Secretary may approve, subject (except for a grant for which funds were obligated in fiscal year 1995) to the availability of appropriations, the use of grant funds for the modified project if the Secretary determines that—

''(1) the modified project meets the requirements of this title and is consistent with the comprehensive economic development strategy submitted as part of the application for the grant; and

''(2) the modifications are necessary to enhance economic development in the area for which the project is being carried out.

"SEC. 211. USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECTED COST.

''In any case in which a grant (including a supplementary grant described in section 205) has been made by the Secretary under this title (or made under this Act, as in effect on the day before the effective date of the Economic Development Administration Reform Act of 1998) for a construction project, and, after the grant has been made but before completion of the project, the cost of the project based on the designs and specifications that was the basis of the grant has decreased because of decreases in costs—

''(1) the Secretary may approve, subject to the availability of appropriations, the use of the excess funds or a portion of the funds to improve the project; and

''(2) any amount of excess funds remaining after application of paragraph (1) shall be deposited in the general fund of the Treasury.

"SEC. 212. REPORTS BY RECIPIENTS.

''(a) IN GENERAL.—Each recipient of assistance under this title shall submit reports to the Secretary at such intervals and in such manner as the Secretary shall require by regulation, except that no report shall be required to be submitted more than 10 years after the date of closeout of the assistance award.

''(b) CONTENTS.—Each report shall contain an evaluation of the effectiveness of the economic assistance provided under this title in meeting the need that the assistance was designed to address and in meeting the objectives of this Act.

"SEC. 213. PROHIBITION ON USE OF FUNDS FOR ATTORNEY'S AND CONSULTANT'S FEES.

''Assistance made available under this title shall not be used directly or indirectly for an attorney's or consultant's fee incurred in connection with obtaining grants and contracts under this title.

"TITLE III—ELIGIBILITY; COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

"SEC. 301. ELIGIBILITY OF AREAS.

''(a) IN GENERAL.—For a project to be eligible for assistance under section 201 or 209, the project shall be located in an area that, on the date of submission of the application, meets 1 or more of the following criteria:

''(1) LOW PER CAPITA INCOME.—The area has a per capita income of 80 percent or less of the national average.

''(2) UNEMPLOYMENT RATE ABOVE NATIONAL AVERAGE.—The area has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate.

''(3) UNEMPLOYMENT OR ECONOMIC ADJUSTMENT PROBLEMS.—The area is an area that the Secretary determines has experienced or is about to experience a special need arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions.

''(b) POLITICAL BOUNDARIES OF AREAS.—An area that meets 1 or more of the criteria of subsection (a), including a small area of poverty or high unemployment within a larger community in less economic distress, shall be eligible for assistance under section 201 or 209 without regard to political or other subdivisions or boundaries.

''(c) DOCUMENTATION.—

''(1) IN GENERAL.—A determination of eligibility under subsection (a) shall be supported by the most recent Federal data available, or, if no recent Federal data is available, by the most recent data available through the government of the State in which the area is located.

''(2) ACCEPTANCE BY SECRETARY.—The documentation shall be accepted by the Secretary unless the Secretary determines that the documentation is inaccurate.

''(d) PRIOR DESIGNATIONS.—Any designation of a redevelopment area made before the effective date of the Economic Development Administration Reform Act of 1998 shall not be effective after that effective date.

"SEC. 302. COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES.

''(a) IN GENERAL.—The Secretary may provide assistance under section 201 or 209 (except for planning assistance under section 209) to an eligible recipient for a project only if the eligible recipient submits to the Secretary, as part of an application for the assistance—

''(1) an identification of the economic development problems to be addressed using the assistance;

''(2) an identification of the past, present, and projected future economic development investments in the area receiving the assistance and public and private participants and sources of funding for the investments; and

''(3)(A) a comprehensive economic development strategy for addressing the economic problems identified under paragraph (1) in a manner that promotes economic development and opportunity, fosters effective transportation access, enhances and protects the environment, and balances resources through sound management of development; and

''(B) a description of how the strategy will solve the problems.

''(b) APPROVAL OF COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY.—The Secretary shall approve a comprehensive economic development strategy that meets the requirements of subsection (a) to the satisfaction of the Secretary.

''(c) APPROVAL OF OTHER PLAN.—The Secretary may accept as a comprehensive economic development strategy a satisfactory plan developed under another federally supported program.

"TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

"SEC. 401. DESIGNATION OF ECONOMIC DEVELOPMENT DISTRICTS.

''(a) IN GENERAL.—In order that economic development projects of broad geographic significance may be planned and carried out, the Secretary may designate appropriate economic development districts in the United States, with the concurrence of the States in which the districts will be wholly or partially located, if—

''(1) the proposed district is of sufficient size or population, and contains sufficient resources, to foster economic development on a scale involving more than a single area described in section 301(a);

''(2) the proposed district contains at least 1 area described in section 301(a); and

''(3) the proposed district has a comprehensive economic development strategy that—

''(A) contains a specific program for intra-district cooperation, self-help, and public investment; and

''(B) is approved by each affected State and by the Secretary.

''(b) AUTHORITIES.—The Secretary may, under regulations promulgated by the Secretary—

''(1) invite the States to determine boundaries for proposed economic development districts;

''(2) cooperate with the States—

''(A) in sponsoring and assisting district economic planning and economic development groups; and

''(B) in assisting the district groups in formulating comprehensive economic development strategies for districts; and

''(3) encourage participation by appropriate local government entities in the economic development districts.

''SEC. 402. TERMINATION OR MODIFICATION OF ECONOMIC DEVELOPMENT DISTRICTS.

''The Secretary shall, by regulation, promulgate standards for the termination or modification of the designation of economic development districts.

''SEC. 403. INCENTIVES.

''(a) IN GENERAL.—Subject to the non-Federal share requirement under section 205(c)(1), the Secretary may increase the amount of grant assistance for a project in an economic development district by an amount that does not exceed 10 percent of the cost of the project, in accordance with such regulations as the Secretary shall promulgate, if—

''(1) the project applicant is actively participating in the economic development activities of the district; and

''(2) the project is consistent with the comprehensive economic development strategy of the district.

''(b) REVIEW OF INCENTIVE SYSTEM.—In promulgating regulations under subsection (a), the Secretary shall review the current incentive system to ensure that the system is administered in the most direct and effective manner to achieve active participation by project applicants in the economic development activities of economic development districts.

''SEC. 404. PROVISION OF COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES TO APPALACHIAN REGIONAL COMMISSION.

''If any part of an economic development district is in the Appalachian region (as defined in section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)), the economic development district shall ensure that a copy of the comprehensive economic development strategy of the district is provided to the Appalachian Regional Commission established under that Act.

''SEC. 405. ASSISTANCE TO PARTS OF ECONOMIC DEVELOPMENT DISTRICTS NOT IN ELIGIBLE AREAS.

''Notwithstanding section 301, the Secretary may provide such assistance as is available under this Act for a project in a part of an economic development district that is not in an area described in section 301(a), if the project will be of a substantial direct benefit to an area described in section 301(a) that is located in the district.

''TITLE V—ADMINISTRATION

''SEC. 501. ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT.

''(a) IN GENERAL.—The Secretary shall carry out this Act through an Assistant Secretary of Commerce for Economic Development, to be appointed by the President, by and with the advice and consent of the Senate.

''(b) COMPENSATION.—The Assistant Secretary of Commerce for Economic Development shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(c) DUTIES.—The Assistant Secretary of Commerce for Economic Development shall carry out such duties as the Secretary shall require and shall serve as the administrator of the Economic Development Administration of the Department.

''SEC. 502. ECONOMIC DEVELOPMENT INFORMATION CLEARINGHOUSE.

''In carrying out this Act, the Secretary shall—

''(1) maintain a central information clearinghouse on matters relating to economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment programs and activities of the Federal and State governments, including political subdivisions of States;

''(2) assist potential and actual applicants for economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment assistance under Federal, State, and local laws in locating and applying for the assistance; and

''(3) assist areas described in section 301(a) and other areas by providing to interested persons, communities, industries, and businesses in the areas any technical information, market research, or other forms of assistance, information, or advice that would be useful in alleviating or preventing conditions of excessive unemployment or underemployment in the areas.

''SEC. 503. CONSULTATION WITH OTHER PERSONS AND AGENCIES.

''(a) CONSULTATION ON PROBLEMS RELATING TO EMPLOYMENT.—The Secretary may consult with any persons, including representatives of labor, management, agriculture, and government, who can assist in addressing the problems of area and regional unemployment or underemployment.

''(b) CONSULTATION ON ADMINISTRATION OF ACT.—The Secretary may provide for such consultation with interested Federal agencies as the Secretary determines to be appropriate in the performance of the duties of the Secretary under this Act.

''SEC. 504. ADMINISTRATION, OPERATION, AND MAINTENANCE.

''The Secretary shall approve Federal assistance under this Act only if the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

''SEC. 505. BUSINESSES DESIRING FEDERAL CONTRACTS.

''The Secretary may provide the procurement divisions of Federal agencies with a list consisting of—

''(1) the names and addresses of businesses that are located in areas described in section 301(a) and that wish to obtain Federal Government contracts for the provision of supplies or services; and

''(2) the supplies and services that each business provides.

''SEC. 506. PERFORMANCE EVALUATIONS OF GRANT RECIPIENTS.

''(a) IN GENERAL.—The Secretary shall conduct an evaluation of each university center and each economic development district that receives grant assistance under this Act (each referred to in this section as a 'grantee') to assess the grantee's performance and contribution toward retention and creation of employment.

''(b) PURPOSE OF EVALUATIONS OF UNIVERSITY CENTERS.—The purpose of the evaluations of university centers under subsection (a) shall be to determine which university centers are performing well and are worthy of continued grant assistance under this Act, and which should not receive continued assistance, so that university centers that have not previously received assistance may receive assistance.

''(c) TIMING OF EVALUATIONS.—Evaluations under subsection (a) shall be conducted on a continuing basis so that each grantee is evaluated within 3 years after the first award of assistance to the grantee after the effective date of the Economic Development Administration Reform Act of 1998, and at least once every 3 years thereafter, so long as the grantee receives the assistance.

''(d) EVALUATION CRITERIA.—

''(1) ESTABLISHMENT.—The Secretary shall establish criteria for use in conducting evaluations under subsection (a).

''(2) EVALUATION CRITERIA FOR UNIVERSITY CENTERS.—The criteria for evaluation of a university center shall, at a minimum, provide for an assessment of the center's contribution to providing technical assistance, conducting applied research, and disseminating results of the activities of the center.

''(3) EVALUATION CRITERIA FOR ECONOMIC DEVELOPMENT DISTRICTS.—The criteria for evaluation of an economic development district shall, at a minimum, provide for an assessment of management standards, financial accountability, and program performance.

''(e) PEER REVIEW.—In conducting an evaluation of a university center or economic development district under subsection (a), the Secretary shall provide for the participation of at least 1 other university center or economic development district, as appropriate, on a cost-reimbursement basis.

''SEC. 507. NOTIFICATION OF REORGANIZATION.

''Not later than 30 days before the date of any reorganization of the offices, programs, or activities of the Economic Development Administration, the Secretary shall provide notification of the reorganization to the Committee on Environment and Public Works and the Committee on Appropriations of the Senate, and the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives.

''TITLE VI—MISCELLANEOUS

''SEC. 601. POWERS OF SECRETARY.

''(a) IN GENERAL.—In carrying out the duties of the Secretary under this Act, the Secretary may—

''(1) adopt, alter, and use a seal, which shall be judicially noticed;

''(2) subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such personnel as are necessary to carry out this Act;

''(3) hold such hearings, sit and act at such times and places, and take such testimony, as the Secretary determines to be appropriate;

''(4) request directly, from any Federal agency, board, commission, office, or independent establishment, such information, suggestions, estimates, and statistics as the Secretary determines to be necessary to carry out this Act (and each Federal agency, board, commission, office, or independent establishment may provide such information, suggestions, estimates, and statistics directly to the Secretary);

''(5) under regulations promulgated by the Secretary—

''(A) assign or sell at public or private sale, or otherwise dispose of for cash or credit, in the Secretary's discretion and on such terms and conditions and for such consideration as the Secretary determines to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by the Secretary in connection with assistance provided under this Act; and

''(B) collect or compromise all obligations assigned to or held by the Secretary in connection with that assistance until such time as the obligations are referred to the Attorney General for suit or collection;

''(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, on such terms and conditions and for such consideration as the Secretary determines to be reasonable, any real or personal property conveyed to or otherwise acquired by the Secretary in connection with assistance provided under this Act;

''(7) pursue to final collection, by means of compromise or other administrative action, before referral to the Attorney General, all claims against third parties assigned to the Secretary in connection with assistance provided under this Act;

''(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), to the extent appropriate in connection with assistance provided under this Act;

''(9) in addition to any powers, functions, privileges, and immunities otherwise vested in the Secretary, take any action, including the procurement of the services of attorneys by contract, determined by the Secretary to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with assets held in connection with financial assistance provided under this Act;

''(10)(A) employ experts and consultants or organizations as authorized by section 3109 of title 5, United States Code, except that contracts for such employment may be renewed annually;

''(B) compensate individuals so employed, including compensation for travel time; and

''(C) allow individuals so employed, while away from their homes or regular places of business, travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Federal Government service;

''(11) establish performance measures for grants and other assistance provided under this Act, and use the performance measures to evaluate the economic impact of economic development assistance programs under this Act, which establishment and use of performance measures shall be provided by the Secretary through—

''(A) officers or employees of the Department;

''(B) the employment of persons under contracts entered into for such purposes; or

''(C) grants to persons, using funds made available to carry out this Act;

''(12) conduct environmental reviews and incur necessary expenses to evaluate and monitor the environmental impact of economic development assistance provided and proposed to be provided under this Act, including expenses associated with the representation and defense of the actions of the Secretary relating to the environmental impact of the assistance, using any funds made available to carry out section 207;

''(13) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, except that no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or the property of the Secretary; and

''(14) establish such rules, regulations, and procedures as the Secretary considers appropriate for carrying out this Act.

''(b) DEFICIENCY JUDGMENTS.—The authority under subsection (a)(7) to pursue claims shall include the authority to obtain deficiency judgments or otherwise pursue claims relating to mortgages assigned to the Secretary.

''(c) INAPPLICABILITY OF CERTAIN OTHER REQUIREMENTS.—Section 3709 of the Revised Statutes (41 U.S.C. 5) shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of assistance provided under this Act if the premium for the insurance or the amount of the services or supplies does not exceed $1,000.

''(d) PROPERTY INTERESTS.—

''(1) IN GENERAL.—The powers of the Secretary under this section, relating to property acquired by the Secretary in connection with assistance provided under this Act, shall extend to property interests of the Secretary relating to projects approved under—

''(A) this Act;

''(B) title I of the Public Works Employment Act of 1976 (42 U.S.C. 6701 et seq.);

''(C) title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.); and

''(D) the Community Emergency Drought Relief Act of 1977 (42 U.S.C. 5184 note; Public Law 95–31).

''(2) RELEASE.—The Secretary may release, in whole or in part, any real property interest, or tangible personal property interest, in connection with a grant after the date that is 20 years after the date on which the grant was awarded.

''(e) POWERS OF CONVEYANCE AND EXECUTION.—The power to convey and to execute, in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest in such property acquired by the Secretary under this Act may be exercised by the Secretary, or by any officer or agent appointed by the Secretary for that purpose, without the execution of any express delegation of power or power of attorney.

''SEC. 603. ANNUAL REPORT TO CONGRESS.

''Not later than July 1, 2000, and July 1 of each year thereafter, the Secretary shall submit to Congress a comprehensive and detailed annual report on the activities of the Secretary under this Act during the most recently completed fiscal year.

''SEC. 604. DELEGATION OF FUNCTIONS AND TRANSFER OF FUNDS AMONG FEDERAL AGENCIES.

''(a) DELEGATION OF FUNCTIONS TO OTHER FEDERAL AGENCIES.—The Secretary may—

''(1) delegate to the heads of other Federal agencies such functions, powers, and duties of the Secretary under this Act as the Secretary determines to be appropriate; and

''(2) authorize the redelegation of the functions, powers, and duties by the heads of the agencies.

''(b) TRANSFER OF FUNDS TO OTHER FEDERAL AGENCIES.—Funds authorized to be appropriated to carry out this Act may be transferred between Federal agencies, if the funds are used for the purposes for which the funds are specifically authorized and appropriated.

''(c) TRANSFER OF FUNDS FROM OTHER FEDERAL AGENCIES.—

''(1) IN GENERAL.—Subject to paragraph (2), for the purposes of this Act, the Secretary may accept transfers of funds from other Federal agencies if the funds are used for the purposes for which (and in accordance with the terms under which) the funds are specifically authorized and appropriated.

''(2) USE OF FUNDS.—The transferred funds—

''(A) shall remain available until expended; and

''(B) may, to the extent necessary to carry out this Act, be transferred to and merged by the Secretary with the appropriations for salaries and expenses.

''SEC. 605. PENALTIES.

''(a) FALSE STATEMENTS; SECURITY OVERVALUATION.—A person that makes any statement that the person knows to be false, or willfully overvalues any security, for the purpose of—

''(1) obtaining for the person or for any applicant any financial assistance under this Act or any extension of the assistance by renewal, deferment, or action, or by any other means, or the acceptance, release, or substitution of security for the assistance;

''(2) influencing in any manner the action of the Secretary; or

''(3) obtaining money, property, or any thing of value, under this Act;

shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

''(b) EMBEZZLEMENT AND FRAUD-RELATED CRIMES.—A person that is connected in any capacity with the Secretary in the administration of this Act and that—

''(1) embezzles, abstracts, purloins, or willfully misapplies any funds, securities, or other thing of value, that is pledged or otherwise entrusted to the person;

''(2) with intent to defraud the Secretary or any other person or entity, or to deceive any officer, auditor, or examiner—

''(A) makes any false entry in any book, report, or statement of or to the Secretary; or

''(B) without being duly authorized, draws any order or issue, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof;

''(3) with intent to defraud, participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary; or

''(4) gives any unauthorized information concerning any future action or plan of the Secretary that might affect the value of securities, or having such knowledge invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans, grants, or other assistance from the Secretary;

shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

''SEC. 606. EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES.

''Assistance shall not be provided by the Secretary under this Act to any business unless the owners, partners, or officers of the business—

''(1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of the business for the purpose of expediting applications made to the Secretary for assistance of any kind, under this Act, and the fees paid or to be paid to the person for expediting the applications; and

''(2) execute an agreement binding the business, for the 2-year period beginning on the date on which the assistance is provided by the Secretary to the business, to refrain from employing, offering any office or employment to, or retaining for professional services, any person who, on the date on which the assistance or any part of the assistance was provided, or within the 1-year period ending on that date—

''(A) served as an officer, attorney, agent, or employee of the Department; and

''(B) occupied a position or engaged in activities that the Secretary determines involved discretion with respect to the granting of assistance under this Act.

''SEC. 607. MAINTENANCE AND PUBLIC INSPECTION OF LIST OF APPROVED APPLICATIONS FOR FINANCIAL ASSISTANCE.

''(a) IN GENERAL.—The Secretary shall—

''(1) maintain as a permanent part of the records of the Department a list of applications approved for financial assistance under this Act; and

''(2) make the list available for public inspection during the regular business hours of the Department.

''(b) ADDITIONS TO LIST.—The following information shall be added to the list maintained under subsection (a) as soon as an application described in subsection (a)(1) is approved:

''(1) The name of the applicant and, in the case of a corporate application, the name of each officer and director of the corporation.

''(2) The amount and duration of the financial assistance for which application is made.

''(3) The purposes for which the proceeds of the financial assistance are to be used.

''SEC. 608. RECORDS AND AUDITS.

''(a) RECORDKEEPING AND DISCLOSURE REQUIREMENTS.—Each recipient of assistance under this Act shall keep such records as the Secretary shall require, including records that fully disclose—

''(1) the amount and the disposition by the recipient of the proceeds of the assistance;

''(2) the total cost of the project in connection with which the assistance is given or used;

''(3) the amount and nature of the portion of the cost of the project provided by other sources; and

''(4) such other records as will facilitate an effective audit.

''(b) ACCESS TO BOOKS FOR EXAMINATION AND AUDIT.—The Secretary, the Inspector General of the Department, and the Comptroller General of the United States, or any duly authorized representative, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that relate to assistance received under this Act.

''SEC. 609. RELATIONSHIP TO ASSISTANCE UNDER OTHER LAW.

''(a) PREVIOUSLY AUTHORIZED ASSISTANCE.—Except as otherwise provided in this Act, all financial and technical assistance authorized under this Act shall be in addition to any Federal assistance authorized before the effective date of the Economic Development Administration Reform Act of 1998.

''(b) ASSISTANCE UNDER OTHER ACTS.—Nothing in this Act authorizes or permits any reduction in the amount of Federal assistance that any State or other entity eligible under this Act is entitled to receive under any other Act.

''SEC. 610. ACCEPTANCE OF CERTIFICATIONS BY APPLICANTS.

''Under terms and conditions determined by the Secretary, the Secretary may accept the certifications of an applicant for assistance under this Act that the applicant meets the requirements of this Act.''.

(b) TITLE VII.—The Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.) is amended—

(1) by redesignating section 712 as section 602 and moving that section to appear after section 601 (as amended by subsection (a));

(2) in section 602 (as added by paragraph (1))—

(A) by striking the section heading and all that follows through ''All'' and inserting the following:

''SEC. 602. MAINTENANCE OF STANDARDS.

''All''; and

(B) by striking ''sections 101, 201, 202, 403, 903, and 1003'' and inserting ''this Act''; and

(3) by striking title VII (as amended by paragraph (1)) and inserting the following:

''TITLE VII—FUNDING

''SEC. 701. GENERAL AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this Act $397,969,000 for fiscal year 1999, $368,000,000 for fiscal year 2000, $335,000,000 for fiscal year 2001, $335,000,000 for fiscal year 2002, and $335,000,000 for fiscal year 2003, to remain available until expended.

''SEC. 702. AUTHORIZATION OF APPROPRIATIONS FOR DEFENSE CONVERSION ACTIVITIES.

''(a) IN GENERAL.—In addition to amounts made available under section 701, there are authorized to be appropriated such sums as are necessary to carry out section 209(c)(1), to remain available until expended.

''(b) PILOT PROJECTS.—Funds made available under subsection (a) may be used for activities including pilot projects for privatization of, and economic development activities for, closed or realigned military or Department of Energy installations.

''SEC. 703. AUTHORIZATION OF APPROPRIATIONS FOR DISASTER ECONOMIC RECOVERY ACTIVITIES.

''(a) IN GENERAL.—In addition to amounts made available under section 701, there are authorized to be appropriated such sums as are necessary to carry out section 209(c)(2), to remain available until expended.

''(b) FEDERAL SHARE.—The Federal share of the cost of activities funded with amounts made available under subsection (a) shall be up to 100 percent.''.

(c) TITLES VIII THROUGH X.—The Public Works and Economic Development Act of 1965 is amended by striking titles VIII through X (42 U.S.C. 3231 et seq.).

SEC. 103. CONFORMING AMENDMENT.

Section 5316 of title 5, United States Code, is amended by striking ''Administrator for Economic Development.''.

SEC. 104. TRANSITION PROVISIONS.

(a) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS.—This title, including the amendments made by this title, does not affect the validity of any right, duty, or obligation of the United States or any other person arising under any contract, loan, or other instrument or agreement that was in effect on the day before the effective date of this title.

(b) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against any officer or employee of the Economic Development Administration shall abate by reason of the enactment of this title.

(c) LIQUIDATING ACCOUNT.—The Economic Development Revolving Fund established under section 203 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3143) (as in effect on the day before the effective date of this title) shall continue to be available to the Secretary of Commerce as a liquidating account (as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) for payment of obligations and expenses in connection with financial assistance provided under—

(1) the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.);

(2) the Area Redevelopment Act (42 U.S.C. 2501 et seq.); and

(3) the Trade Act of 1974 (19 U.S.C. 2101 et seq.).

(d) ADMINISTRATION.—The Secretary of Commerce shall take such actions authorized before the effective date of this title as are appropriate to administer and liquidate grants, contracts, agreements, loans, obligations, debentures, or guarantees made by the Secretary under law in effect before the effective date of this title.

SEC. 105. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on a date determined by the Secretary of Commerce, but not later than 90 days after the date of enactment of this Act.

TITLE II—APPALACHIAN REGIONAL DEVELOPMENT

SEC. 201. SHORT TITLE.

This title may be cited as the ''Appalachian Regional Development Reform Act of 1998''.

SEC. 202. FINDINGS AND PURPOSES.

Section 2 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

''(c) 1998 FINDINGS AND PURPOSES.—

''(1) FINDINGS.—Congress further finds and declares that, while substantial progress has been made in fulfilling many of the objectives of this Act, rapidly changing national and global economies over the past decade have created new problems and challenges for rural areas throughout the United States and especially for the Appalachian region.

''(2) PURPOSES.—In addition to the purposes stated in subsections (a) and (b), it is the purpose of this Act—

''(A) to assist the Appalachian region in—

''(i) providing the infrastructure necessary for economic and human resource development;

''(ii) developing the region's industry;

''(iii) building entrepreneurial communities;

''(iv) generating a diversified regional economy; and

''(v) making the region's industrial and commercial resources more competitive in national and world markets;

''(B) to provide a framework for coordinating Federal, State, and local initiatives to respond to the economic competitiveness challenges in the Appalachian region through—

''(i) improving the skills of the region's workforce;

''(ii) adapting and applying new technologies for the region's businesses; and

''(iii) improving the access of the region's businesses to the technical and financial resources necessary to development of the businesses; and

''(C) to address the needs of severely and persistently distressed areas of the Appalachian region and focus special attention on the areas of greatest need so as to provide a fairer opportunity for the people of the region to share the quality of life generally enjoyed by citizens across the United States.''.

SEC. 203. MEETINGS.

(a) ANNUAL MEETING REQUIREMENT.—Section 101 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''(a) There'' and inserting the following:

''(a) IN GENERAL.—

''(1) ESTABLISHMENT.—There''; and

(2) by adding at the end the following:

''(2) MEETINGS.—

''(A) IN GENERAL.—The Commission shall conduct at least 1 meeting each year with the Federal Cochairman and at least a majority of the State members present.''.

(b) ADDITIONAL MEETINGS BY ELECTRONIC MEANS.—Section 101 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in subsection (a)(2) (as added by subsection (a)(2)), by adding at the end the following:

''(B) ADDITIONAL MEETINGS.—The Commission may conduct such additional meetings by electronic means as the Commission considers advisable, including meetings to decide matters requiring an affirmative vote.''; and

(2) in the fourth sentence of subsection (c), by striking ''to be present''.

(c) DECISIONS REQUIRING A QUORUM.—Section 101(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking the third sentence and inserting the following: ''A decision involving Commission policy, approval of any State, regional, or subregional development plan or implementing investment program,

any modification or revision of the Appalachian Regional Commission Code, any allocation of funds among the States, or any designation of a distressed county or an economically strong county shall not be made without a quorum of the State members.''.

SEC. 204. ADMINISTRATIVE EXPENSES.

Section 105 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''(a) For the period'' in the first sentence and all that follows through ''such expenses'' in the second sentence and inserting ''Administrative expenses of the Commission''; and

(2) by striking subsection (b).

SEC. 205. COMPENSATION OF EMPLOYEES.

Section 106(2) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101'' and inserting ''the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title''.

SEC. 206. ADMINISTRATIVE POWERS OF COMMISSION.

Section 106(7) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''1982'' and inserting ''2001''.

SEC. 207. COST SHARING OF DEMONSTRATION HEALTH PROJECTS.

(a) OPERATION COSTS.—Section 202(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''100 per centum of the costs thereof'' in the first sentence and all that follows through the period at the end of the second sentence and inserting ''50 percent of the costs of that operation (or 80 percent of those costs in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226).''.

(b) COST SHARING.—Section 202 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

''(f) MAXIMUM COMMISSION CONTRIBUTION AFTER SEPTEMBER 30, 1998.—

''(1) IN GENERAL.—Subject to paragraph (2), after September 30, 1998, a Commission contribution of not more than 50 percent of any project cost eligible for financial assistance under this section may be provided from funds appropriated to carry out this Act.

''(2) DISTRESSED COUNTIES.—In the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226, the maximum Commission contribution under paragraph (1) may be increased to the lesser of—

''(A) 80 percent; or

''(B) the maximum Federal contribution percentage authorized by this section.''.

(c) TECHNICAL AMENDMENTS.—Section 202 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''Secretary of Health, Education, and Welfare'' each place it appears and inserting ''Secretary of Health and Human Services''; and

(2) in subsection (c), by striking the last sentence.

SEC. 208. REPEAL OF LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL PROGRAM.

Section 203 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is repealed.

SEC. 209. REPEAL OF TIMBER DEVELOPMENT PROGRAM.

Section 204 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is repealed.

SEC. 210. REPEAL OF MINING AREA RESTORATION PROGRAM.

Section 205 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is repealed.

SEC. 211. REPEAL OF WATER RESOURCE SURVEY.

Section 206 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is repealed.

SEC. 212. COST SHARING OF HOUSING PROJECTS.

(a) LOANS.—Section 207(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the first sentence by striking ''80 per centum'' and inserting ''50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226)''.

(b) GRANTS.—Section 207(c)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''80 per centum'' and inserting ''50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226)''.

SEC. 213. REPEAL OF AIRPORT SAFETY IMPROVEMENTS PROGRAM.

Section 208 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is repealed.

SEC. 214. COST SHARING OF VOCATIONAL EDUCATION AND EDUCATION DEMONSTRATION PROJECTS.

(a) OPERATION COSTS.—Section 211(b)(3) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''100 per centum of the costs thereof'' in the first sentence and all that follows through the period at the end of the second sentence and inserting ''50 percent of the costs of that operation (or 80 percent of those costs in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226).''

(b) COST SHARING.—Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

''(c) MAXIMUM COMMISSION CONTRIBUTION AFTER SEPTEMBER 30, 1998.—

''(1) IN GENERAL.—Subject to paragraph (2), after September 30, 1998, a Commission contribution of not more than 50 percent of any project cost eligible for financial assistance under this section may be provided from funds appropriated to carry out this Act.

''(2) DISTRESSED COUNTIES.—In the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226, the maximum Commission contribution under paragraph (1) may be increased to the lesser of—

''(A) 80 percent; or

''(B) the maximum Federal contribution percentage authorized by this section.''.

(c) TECHNICAL AMENDMENTS.—Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in subsection (a), by striking ''Secretary of Health, Education, and Welfare'' and inserting ''Secretary of Education''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''Secretary of the Department of Health, Education, and Welfare'' and inserting ''Secretary of Education''; and

(B) in paragraph (3), by striking the last sentence.

SEC. 215. REPEAL OF SEWAGE TREATMENT WORKS PROGRAM.

Section 212 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is repealed.

SEC. 216. REPEAL OF AMENDMENTS TO HOUSING ACT OF 1954.

Section 213 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is repealed.

SEC. 217. SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS.

(a) AVAILABILITY OF AMOUNTS.—Section 214(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the first sentence by striking ''the President is authorized to provide funds to the Federal Cochairman to be used'' and inserting ''the Federal Cochairman may use amounts made available to carry out this section''.

(b) COST SHARING.—Section 214(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''(b) The Federal'' and inserting the following:

''(b) COST SHARING.—

''(1) IN GENERAL.—The Federal''; and

(2) by adding at the end the following:

''(2) MAXIMUM COMMISSION CONTRIBUTION AFTER SEPTEMBER 30, 1998.—

''(A) IN GENERAL.—Subject to subparagraph (B), after September 30, 1998, a Commission contribution of not more than 50 percent of any project cost eligible for financial assistance under this section may be provided from funds appropriated to carry out this Act.

''(B) DISTRESSED COUNTIES.—In the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226, the maximum Commission contribution under subparagraph (A) may be increased to 80 percent.''.

(c) DEFINITION OF FEDERAL GRANT-IN-AID PROGRAMS.— Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the first sentence—

(1) by striking ''on or before December 31, 1980,''; and

(2) by striking ''Titles I and IX of the Public Works and Economic Development Act of 1965'' and inserting ''sections 201 and 209 of the Public Works and Economic Development Act of 1965''.

(d) LIMITATION ON COVERED ROAD PROJECTS.—Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the second sentence by inserting ''authorized by title 23, United States Code'' after ''road construction''.

SEC. 218. PROGRAM DEVELOPMENT CRITERIA.

(a) CONSIDERATIONS.—Section 224(a)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting before the semicolon at the end the following: ''or in a severely and persistently distressed county or area''.

(b) OUTCOME MEASUREMENTS.—Section 224(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in paragraph (5), by striking the period at the end and inserting ''; and''; and

(2) by adding at the end the following:

''(6) the extent to which the project design provides for detailed outcome measurements by which grant expenditures may be evaluated.''.

(c) REMOVAL OF LIMITATIONS.—Section 224 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking subsection (b) and inserting the following:

''(b) LIMITATION.—Financial assistance made available under this Act shall not be used to assist establishments relocating from 1 area to another.''.

(d) CONFORMING AMENDMENT.—Section 302(b)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the first sentence by striking ''Notwithstanding'' and all that follows through ''the Commission'' and inserting ''The Commission''.

SEC. 219. DISTRESSED AND ECONOMICALLY STRONG COUNTIES.

Part C of title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

"SEC. 226. DISTRESSED AND ECONOMICALLY STRONG COUNTIES.

''(a) DESIGNATIONS.—

''(1) IN GENERAL.—Not later than 90 days after the date of enactment of this section, and annually thereafter, the Commission, in accordance with such criteria as the Commission may establish, shall—

''(A) designate as 'distressed counties' those counties in the region that are the most severely and persistently distressed; and

''(B) designate 2 categories of economically strong counties, consisting of—

''(i) 'competitive counties', which shall be those counties in the region that are approaching economic parity with the rest of the United States; and

''(ii) 'attainment counties', which shall be those counties in the region that have attained or exceeded economic parity with the rest of the United States.

''(2) ANNUAL REVIEW OF DESIGNATIONS.—The Commission shall—

''(A) conduct an annual review of each designation of a county under paragraph (1) to determine if the county still meets the criteria for the designation; and

''(B) renew the designation for another 1-year period only if the county still meets the criteria.

''(b) DISTRESSED COUNTIES.—In program and project development and implementation and in the allocation of appropriations made available to carry out this Act, the Commission shall give special consideration to the needs of those counties for which a distressed county designation is in effect under this section.

''(c) ECONOMICALLY STRONG COUNTIES.—

''(1) COMPETITIVE COUNTIES.—Except as provided in paragraphs (3) and (4), in the case of a project that is carried out in a county for which a competitive county designation is in effect under this section, assistance under this Act shall be limited to not more than 30 percent of the project cost.

''(2) ATTAINMENT COUNTIES.—Except as provided in paragraphs (3) and (4), no funds may be provided under this Act for a project that is carried out in a county for which an attainment county designation is in effect under this section.

''(3) EXCEPTIONS.—The requirements of paragraphs (1) and (2) shall not apply to—

''(A) any project on the Appalachian development highway system authorized by section 201;

''(B) any local development district administrative project assisted under section 302(a)(1); or

''(C) any multicounty project that is carried out in 2 or more counties designated under this section if—

''(i) at least 1 of the participating counties is designated as a distressed county under this section; and

''(ii) the project will be of substantial direct benefit to 1 or more distressed counties.

''(4) WAIVER.—

''(A) IN GENERAL.—The Commission may waive the requirements of paragraphs (1) and (2) for a project upon a showing by the recipient of assistance for the project of 1 or more of the following:

''(i) The existence of a significant pocket of distress in the part of the county in which the project is carried out.

''(ii) The existence of a significant potential benefit from the project in 1 or more areas of the region outside the designated county.

''(B) REPORTS TO CONGRESS.—The Commission shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives an annual report describing each waiver granted under subparagraph (A) during the period covered by the report.''.

SEC. 220. GRANTS FOR ADMINISTRATIVE EXPENSES AND COMMISSION PROJECTS.

(a) AVAILABILITY OF AMOUNTS.—Section 302(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''The President'' and inserting ''The Commission''; and

(2) in paragraphs (1), (2), and (3), by striking ''to the Commission'' each place it appears.

(b) COST SHARING.—Section 302(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''75 per centum'' and inserting ''50 percent''; and

(B) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(3) by striking ''(a) The'' and inserting the following:

''(a) AUTHORIZATION TO MAKE GRANTS.—

''(1) IN GENERAL.—The'';

(4) by adjusting the margins of subparagraphs (A), (B), and (C) (as redesignated by paragraph (2)) to reflect the amendment made by paragraph (3); and

(5) by adding at the end the following:

''(2) COST SHARING AFTER SEPTEMBER 30, 1998.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), after September 30, 1998, not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for financial assistance under this section may be provided from funds appropriated to carry out this Act.

''(B) DISCRETIONARY GRANTS.—

''(i) IN GENERAL.—Discretionary grants made by the Commission to implement significant regional initiatives, to take advantage of special development opportunities, or to respond to emergency economic distress in the region may be made without regard to the percentage limitations specified in subparagraph (A).

''(ii) LIMITATION ON AGGREGATE AMOUNT.—For each fiscal year, the aggregate amount of discretionary grants referred to in clause (i) shall not exceed 10 percent of the amounts appropriated under section 401 for the fiscal year.''.

(c) CONFORMING AND TECHNICAL AMENDMENTS.—

(1) Section 302 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(A) in subsection (b)—

(i) in paragraph (2), by striking ''Federal Energy Administration, the Energy Research and Development Administration'' and inserting ''Secretary of Energy''; and

(ii) by striking paragraphs (3) and (4); and

(B) by striking subsections (d) and (e).

(2) Section 210(a) of title 35, United States Code, is amended—

(A) by striking paragraph (11); and

(B) by redesignating paragraphs (12) through (22) as paragraphs (11) through (21), respectively.

SEC. 221. AUTHORIZATION OF APPROPRIATIONS FOR GENERAL PROGRAM.

Section 401 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended to read as follows:

"SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—In addition to amounts authorized by section 201 and other amounts made available for the Appalachian development highway system program, there are authorized to be appropriated to the Commission to carry out this Act—

''(1) $68,000,000 for fiscal year 1999;

''(2) $69,000,000 for fiscal year 2000; and

''(3) $70,000,000 for fiscal year 2001.

''(b) AVAILABILITY.—Sums made available under subsection (a) shall remain available until expended.''.

SEC. 222. EXTENSION OF TERMINATION DATE.

Section 405 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''1982'' and inserting ''2001''.

SEC. 223. TECHNICAL AMENDMENT.

Section 5334(a) of title 5, United States Code, is amended in the second sentence by striking ''title 40, appendix, or by a regional commission established pursuant to section 3182 of title 42, under section 3186(a)(2) of that title'' and inserting ''the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. SHUSTER) and the gentleman from Minnesota (Mr. OBERSTAR), each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of this legislation, which reauthorizes and reforms the programs of the Economic Development Administration and the Appalachian Regional Commission.

This is an historic occasion. Despite the fact that the House has passed reauthorization in every Congress since the authorization expired in 1982, the Senate, for the first time in 17 years, has passed an EDA and ARC reauthorization. The Senate-passed bill is modeled after the House reported bill and is acceptable on a bipartisan basis.

The House bill, the companion bill, has over 100 cosponsors on a bipartisan basis, is supported by the administration and every major economic development association, by the governors, by the League of Cities, by the counties, and was passed unanimously by our committee with every Republican and every Democrat on the committee voting in favor of it.

The EDA and the ARC are two programs that work. They provide economic opportunity to our Nation's most distressed communities, particularly in rural areas. The bill reforms both agencies by encouraging regional cooperation in economic development and targeting funds, and this is very important, reforming by targeting funds into the truly distressed communities across our country.

This legislation addresses the concerns of critics of these programs. For example, the legislation no longer allows 85 percent of the Nation to be eligible for EDA grants. Indeed, recent

studies by Rutgers University found that EDA is a cost-effective agency that provides real economic development to really distressed communities. In addition, the study found that the number of jobs doubled in the 6 years after project completion in those EDA areas where indeed they were focused on truly economic distress.

This report also deals with the 1996 GAO report that suggested there was not a strong link. Rutgers instead found that EDA investments have a statistical significant and positive effect on county total employment and that the cost per job, get this, the cost per job for the EDA program is estimated at just around $1000.

In addition, EDA is a major Federal program to assist communities adversely affected by defense cutbacks and base closures. The EDA has already helped more than 100 communities who have suffered base closure. Given these facts, our committee has focused the authorizations on the EDA programs which demonstrated effectiveness. In this area of block granting, the ARC serves as a model program for State and Federal cooperation.

Every Federal funding and policy decision made by ARC requires the concurrence of both the States and the Federal government. It is very important to emphasize this point. The ARC program is not one which is dictated from Washington but, rather, must have the concurrence of the States involved.

Indeed, this legislation is historic in nature and should be passed. In fact, with the ARC funding, the Appalachian Regional Commission receives on a per capita basis 14 percent fewer Federal resources than the rest of the country.

In summary, the need for the ARC is there. The program works. It is a model for Federal and local cooperation. By passing this legislation, the House will have taken an historic step toward reforming and improving these proven programs. I urge my colleagues to support this legislation.

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

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Mr. OBERSTAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to compliment our chairman, the gentleman from Pennsylvania (Mr. SHUSTER) for doggedly sticking with these two programs, EDA, and the Appalachian Regional Commission for our encouraging and motivating our subcommittee members to pursue the hearings, to markup the bill, move it through subcommittee, move it through full committee, to work with the Senate in bringing this legislation to the floor in that body, because that has always been the problem for years.

We have never been able to move authorization legislation through the Senate because of various objections by one or another Member of that body. Commend him for staying with it. That is one of the chairman's greatest qualities is stick-to-it-iveness. He does not give up and does not give up easily.

We have, as a result, as the chairman described, true bipartisan participation in this legislation achieved, a truly historic landmark today.

For three decades, I have, as a staff Member of the former Committee on Public Works as administrative assistant to my predecessor, John Blatnik, one of the original authors of the predecessor of EDA, the Area Redevelopment Program, and also co-author of the Appalachian Regional Development Program, I have watched the ebb and flow of this program through presidencies beginning with that of John F. Kennedy all through the current Clinton administration.

I have seen communities that were down on their luck, no opportunity for economic development or growth, rise with new jobs, new opportunities, claim a new future for themselves and for their young people because of this little bit of helping hand that has come from EDA.

I have seen the enormous success and pride that local communities have taken in projects initiated about funding from the economic development administration for one very simple reason. All of these are projects and programs initiated locally by the development team at the county level, the township level, the community level.

None of the EDA programs are top down, directed from Washington. They are initiated by the development organizations who see their own problems, see their own needs, describe what they need best to attract jobs or expand existing industries and create a better economic future for themselves and their children.

That has been the essential ingredient of success, both for EDA and, as the gentleman from Pennsylvania (Chairman SHUSTER) described, for the Appalachian Regional Commission.

That we are here today with this bill is a tribute to two former Members for whom I have only the greatest respect and affection, Don Clausen on the Republican side from California, who was an avid advocate of EDA and Appalachia, the lesser because he did not represent a region of Appalachia, and my dearest friend of many years Bill Clinger, the gentleman from Pennsylvania who served as the ranking Republican on the Economic Development Subcommittee during the years that I had the good fortune to chair that subcommittee and who was former chief counsel of the economic development administration.

Together, we worked to reshape EDA, recognizing the objections raised by President Reagan in his State of the Union message when he proposed to eliminate EDA and Appalachia. We said, no, let us reshape it. Let us reform it, but let us keep what is good.

The ideas reflected in this legislation are the ideas that together we brought to the committee and to the House. On three different occasions and three separate Congresses by votes of three and four to one, we passed what is essentially the bill we bring to the House today. It never got through the Senate.

That is the great achievement of our chairman, the gentleman from Pennsylvania (Mr. SHUSTER), that he was unflagging in his determination to bring this legislation to fruition. I really greatly appreciate the work that the gentleman from Pennsylvania, our chairman, has accomplished.

I just want to cite one fact that emerged from the hearings Mr. Clinger and I together conducted in the early 1980s on the history of EDA. We found that, with a relatively modest investment over a period of 15 years of $4.7 billion, EDA projects, locally initiated, locally carried out, generated 1.4 million private sector jobs, leveraged $9 billion in private investment capital, and every year returned $6.5 billion in tax revenue to Federal State and local treasuries.

That is a record unmatched by any other Federal program. I challenge anyone to exceed those accomplishments.

So what we have today is a bill that narrows the focus even further of EDA to only the most urgently needy areas of the country, require them to prepare a comprehensive economic development plan that is their plan, not Washington's plan, to focus their efforts on future economic growth opportunities, and to reduce the scope of this program from its alleged coverage of 80 percent of the population to less than 36 percent of the population in this country, and to focus the resources on those areas that are chronically in economic decline.

I want to thank the chairman of the subcommittee, the gentleman from California (Mr. KIM), and I want to thank the ranking Democratic Member, the gentleman from Ohio (Mr. TRAFICANT), for their splendid bipartisan cooperation in working to reshape, reform this bill.

I want to express my appreciation to Jesse White, cochairman of the Appalachian Regional Commission, the Governors throughout Appalachia, and the Assistant Secretary for Economic Development at the Department of Commerce, Phil Singerman who has worked very cooperatively with us in reshaping the legislation.

I recall during one of our subcommittee hearings in West Virginia going into an area that was both EDA and ARC eligible, a little town where the mayor was a member of the development commission, and brought me to a small store that was operated by one of his city councilmen.

On the wall behind the cash register was a sign that said ''God never put nobody in a place too small to grow.'' I said, ''Have you benefited in this community? You tell me what you have done to grow in this community.'' ''Yes,'' he said, ''before the Appalachia Commission, we were so far down, we had to look up to see bottom.''

They do not have to look up to see bottom anymore. There was a time when much of Appalachia, most of the rural south, and most of the midwest was characterized by 80 acres and a mule. There was a time when opportunity for people in Appalachia met a bus ticket north to the industrial cities of the midwest.

Today, because of ARC, because of EDA, there is job opportunity, there is economic growth. There is hope for the future. These counties now are achieving parity with the rest of the country in per capita income, and they do not have to look up to see bottom. God never put nobody in a place too small to grow.

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

Mr. SHUSTER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. KIM), chairman of the subcommittee.

Mr. KIM. Mr. Speaker, the gentleman from Pennsylvania (Mr. SHUSTER) already did an eloquent job to explain why we need to reauthorize this ARP and EDA programs.

I just want to reemphasize that the Subcommittee on Public Buildings and Economic Development, which I chair, held two days of hearing on these programs already and developed H.R. 4275, which is the companion to S. 2364. The Senate bill follows the general reforms and authorizations of the House-reported legislation.

I want to thank our ranking member, the gentleman from Ohio (Mr. TRAFICANT), our ranking member of the full committee, the gentleman from Minnesota (Mr. OBERSTAR), and of course our chairman the gentleman from Pennsylvania (Mr. SHUSTER) for their effort in helping to produce this historic legislation.

The bill reauthorizes the EDA for 5 years and the ARC for 3 years at levels consistent with current appropriations action.

S. 2364 provides the most significant reforms the EDA and ARC have had in decades. It eliminates the grandfathering of eligibility and directs funds toward truly distressed areas. Let me emphasize these two areas.

While tightening the eligibility, the bill also explicitly recognizes the problems of pockets of poverty in otherwise healthy areas, it has never done that, which provides means to assisting these pockets of poverty in rich areas.

In addition, the legislation clarifies that innovative financing tools, such as loan guarantee programs and interest rate buydown program, are eligible under section 209 of this legislation. Those are two very historic ideas in my opinion.

Additionally, the bill reforms both agencies' programs to improve regional coordination, focus on core programs with demonstrated cost-effectiveness, and limit waivers of tough new matching requirements.

In summary, as funds continue to be provided for these programs in the appropriations process, this legislation insures that tax dollar will be properly and intelligently spent on meeting the needs of our Nation's most distressed community areas.

Mr. Speaker, I urge my colleagues to join me in supporting this historic legislation.

Mr. OBERSTAR. Mr. Speaker, may I inquire of the chair the remaining time on both sides.

The SPEAKER pro tempore (Mr. BARRETT OF NEBRASKA). The gentleman from Minnesota (Mr. OBERSTAR) has 10½ minutes remaining. The gentleman from (Mr. SHUSTER) Pennsylvania has 14 minutes remaining.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Missouri (Mrs. EMERSON), a distinguished member of our committee.

Mrs. EMERSON. Mr. Speaker, I want to commend the gentleman from Pennsylvania (Chairman SHUSTER), the gentleman from Minnesota (Mr. OBERSTAR), the ranking member and the gentleman from California (Mr. KIM) and all of the Committee on Transportation and Infrastructure staff for the hard work that they have done in crafting EDA reauthorization legislation and in securing consideration of it on the floor today.

I also want to pay tribute to Assistant Secretary Phil Singerman, too, for the exemplary work that he has done on behalf of the Economic Development Administration and truly making it in tune and in touch with the needs of the folks in our districts.

As the Chairman said, this is the first time in 17 years that we are on the verge of enacting EDA reauthorization legislation that will streamline and focus the program to serve our local communities more efficiently and more effectively, all the while saving taxpayer dollars.

It reminds me very much of a good friend of mine, Pig Paul, who is the presiding commissioner in Howell County, Missouri, who has taken that county into the 21st Century with a bang because he has worked very, very hard with the EDA to bring grants to that county.

As a result of those grants, we have had an explosion of jobs and companies wanting to come because of the good cooperative work that we have been able to do with EDA.

I have seen successes of the program in other rural communities within my district, and I have a very, very rural district. So this is a program that does work. It does work for our local communities.

I urge all of my colleagues to vote for EDA reauthorization.

Mr. OBERSTAR. Mr. Speaker, I am happy to yield 5 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I heard earlier our ranking member the gentleman from Minnesota (Mr. OBERSTAR) say that the gentleman from Pennsylvania (Mr. SHUSTER) deserves a lot of credit, and he certainly does. But he says he deserves a lot of credit because he never quits.

I wanted to just give a definition and a reason why the gentleman from Pennsylvania (Mr. SHUSTER) never quits. Because he is a Pitt man, a graduate of the University of Pittsburgh, a fellow alumnist of mine. I want to compliment the gentleman from Pennsylvania (Mr. SHUSTER) for having accomplished something with the gentleman from Minnesota (Mr. OBERSTAR), for 20 years, we have been continuing through an appropriation process, and this certainly is historic.

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The efforts of the gentleman from Pennsylvania (Mr. SHUSTER) and the gentleman from Minnesota (Mr. OBERSTAR) are not to be taken lightly here. These are two fine national programs targeted towards needy areas that did have abuse in their past but have been reconciled over a period of years with reasonable management and oversight to make them once again, as the gentleman from Minnesota alluded to, very effective tools. Having said that, I am a little saddened that the Senate had their way completely and some of the innovations of the House were not totally enacted, one being a specific pilot program that I authored that would allow for the utilization of EDA moneys to be used to buy down interest rates. Let me say something. No matter how much money we have for grants, it will not address the problems and the gravity and size of those problems by itself. We must leverage private sector dollars and we must incentivize these programs, and that pilot project to buy down interest rates was a specific tool targeted in that regard. Having said that, I think there are certain things that still can be salvaged from this bill.

Before I move for a colloquy with the two distinguished leaders, I would like to compliment Phil Singerman of EDA and Jesse White of the ARC programs. They are doing a remarkable job. There are several administrators in this Clinton administration that have really not only earned their pay but have been really great for the United States of America. Also, I would like to compliment, this may be the last significant bill of any import from our subcommittee, the respective subcommittee members, including, both sides, the gentleman from Louisiana (Mr. COOKSEY), the gentleman from Tennessee (Mr. DUNCAN), the gentleman from Ohio (Mr. LATOURETTE), the gentleman from Virginia (Mr. DAVIS), and on our side the gentlewoman from the District of Columbia (Ms. NORTON) one of the real dynamos of the House without a doubt; the gentleman from Pennsylvania (Mr. HOLDEN) the sheriff; and the gentleman from Texas (Mr. LAMPSON). Also our staff Susan Brita, Rose Hamlin and Ward McCarragher, the new counsel of our committee. Thank you, Ward, for the job you did

with the EDA bill and in working with our committee on EDA issues. I would also like to compliment Rick Barnett of the Republican staff, the gentleman from California (Mr. KIM) and all of those who worked on it.

Having said all these nice things I would like a colloquy if I could with the gentleman from Pennsylvania and the gentleman from Minnesota to make sure they are both on the same page here. Being concerned about that interest rate buydown program and once again having the Senate basically write most of these laws, that does bother me. The House bill, H.R. 4275, included my pilot innovative financing program to enable grants to be used to buy down the interest rate of loans to businesses and nonprofit organizations for economic development. It is my understanding that although the Senate bill, S. 2364, that we have before us does not include such a specific pilot program, interest rate subsidies are, however, still eligible under section 209 of the bill. Even though the program is not specifically on a pilot basis authorized, is it not a fact that interest rate subsidies are eligible and Phil Singerman could in fact effect such a program?

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. First I would like to respond to my good friend that this legislation before us is largely a House product. We negotiated with the Senate and we did have to strike some compromises, but the bill if we pass it today and send it to the President will largely be a product of our committee and of the House, with help from the Senate.

In direct answer to the gentleman's question, he is correct that although the Senate bill does not include a specific pilot program, interest rate subsidies are indeed eligible under section 209 of the bill. Moreover, the Committee on Transportation and Infrastructure strongly encourages EDA to demonstrate the use of this authority and report back to the committee regarding the success of this innovative financing tool. I would also like to note that public works loan guarantees are also eligible under section 209.

Mr. TRAFICANT. Further on my colloquy, then Phil Singerman could in fact design such a demonstration of said program even though it is not specifically delineated within the bill?

Mr. SHUSTER. Not only could he, we strongly encourage him to do so. I would not be surprised if Youngstown, Ohio might be one of the candidates.

Mr. TRAFICANT. I would certainly hope so.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I concur in the remarks of the chairman. As the chairman strongly supported the gentleman's initiative for interest buydown, it has proven to be a very effective tool in economic development in various parts of the country, but even though we were not able to keep legislative language directing a pilot program, certainly that authority that we wrote into the bill is authority within the general powers of the Economic Development Administration and could be initiated by EDA, by the Assistant Secretary upon request of an application submitted by an interested party that complies with the EDA requirements. As the chairman said, certainly if Youngstown were the first to submit such a proposal, it would be among the first considered and very likely we would see that ultimately approved by EDA, I am quite confident.

Mr. TRAFICANT. I appreciate that. I would just like to say that the legislative history here today clearly indicates the intent of the House to proceed in such an incentivized type of program to in fact attract and leverage local private dollars. The banks have got to get involved in this, folks. We do not have enough money. But I would also like to ask the two respective leaders of our committee who have done a tremendous job this year, and the Congress should really be thankful of the job on the highway, the BESTEA bill and other things that have come forth, that I would like to see us move strongly in that direction as a specific piece of legislation to create that economic tool to bring about some changes in these needy communities. I will support the bill naturally. I want to thank both the gentleman from Pennsylvania and the gentleman from Minnesota for a tremendous job.

Mr. SHUSTER. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio (Mr. NEY) a very hardworking member of our committee.

Mr. NEY. Mr. Speaker, I thank the gentleman for yielding me this time, and I want to thank the gentleman from Pennsylvania and also the gentleman from Minnesota for a tremendous piece of legislation and also previously this year a great teamwork effort to do another good piece of legislation which is the highway bill that is going to help with growth and jobs and do something real for our economy not only for the district I represent but for everywhere across this great nation.

Today I rise in support of S. 2364. As we know, the bill reauthorizes two very important programs that benefit needy communities throughout the country, especially within Ohio and the 18th Congressional District which I represent. The Economic Development Administration has continually been active in our State, in the State of Ohio, directing Federal resources to economically distressed communities in order to develop their local economies. Through public works, technical assistance, planning, community investments and revolving loan fund programs, EDA has established local partnerships, Mr. Speaker, that have provided critical infrastructure development and other economic incentives that have made our way of life better. Since it came into existence in Ohio, the EDA has alone invested more than $488 million into our local economies. I have worked very closely with organizations that coordinate and implement the EDA and ARC moneys, including the Hocking Valley Regional Development District, the Ohio Mid-Eastern Governments Association and the Ohio Valley Regional Development Council. I want to point out, Mr. Speaker, I think it is important that we recognize these are local groups, so this is a program that comes from Washington, D.C. and the local hands are in it. I cannot think of a better scenario for our people than to have that relationship. I am proud of both the EDA and the ARC and what they do for our communities.

The bill also reauthorizes the Appalachian Regional Commission and its programs. Those programs have come under fire. The gentleman from Ohio (Mr. Traficant) I think eloquently stated how the ARC is doing good things. I also need to mention that I used to work for the Appalachian Regional Commission through the State of Ohio, I was one of the State workers and I saw all the good firsthand of what we do with dental programs and with health care programs.

I just wanted to say in closing, Mr. Speaker, that the bill continues ARC's tradition of good works. The EDA helps with local projects that benefit people and create jobs. I look forward to working in the future with the National Association of Development Organizations, their members, the EDA and the ARC. I want to thank Jeff Janas of our staff for working with our local officials and with the staff here in Washington. I urge the support of this great bill.

Mr. SHUSTER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. PETERSON) who, let me emphasize, played a key role over these past several days in bringing some of our Members around to our point of view. I thank him for that.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding me this time, and I want to congratulate both the gentleman from Pennsylvania and the gentleman from Minnesota for their bipartisan work to reauthorize two vital programs. These are well-targeted programs to assist communities to rebuild their fractured economic base.

I want to give my colleagues an example right now. I have a community where a steel mill that had 1,000 people closed 4 years ago. Two years later a regional bank merged with an out-of-state bank and hundreds of jobs were gone. Not only did we lose those jobs, we lost our leaders, the people who led the communities. With help from ARC and EDA, we are now helping this community to reuse this old steel mill and hopefully in a couple of years we can

come back here and share with you the hundreds of jobs that will be there from several people. We were able to negotiate with this steel company to give the plant to the local community for a buck, but without the ARC and EDA help, they would not have the ability to use this facility.

I have a large rural district. Four regional development districts have used these programs successfully and effectively. Rural counties like Union, Centre, McKean, Jefferson, Venango, Elk, Warren and Forest, and those just come from my memory, are communities and counties that have used these programs to rebuild when plants have left and left those communities flat. They help leverage local and State programs, they help millions of dollars of corporate investment back into towns that are struggling to survive. These programs are vital to the success of rural America, our small towns. It will help remove men and women from the unemployment benefit line and make them taxpayers. That is government money well-spent, programs that are well-targeted, programs that have proven their way. I am pleased that we are on our way to authorizing them in the future.

Mr. OBERSTAR. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Speaker, I want to thank the chairman and ranking member for speeding this bill to the floor. Mr. Speaker, I think it has been, I have to defer to the ranking member but 17 years. Actually I just brought my daughter on the floor. We are doing a little child care at home. The last time these programs were reauthorized was 8 years before she was born. She is 9 now. But I am happy to report to her and to many others that these programs have been reauthorized through a bipartisan effort.

The reauthorization of the ARC and the EDA means that they will continue to be the economic linchpins that are so vital to many parts of our nation and certainly to Appalachia as we begin to rebuild from the devastation and dislocation of losing mining and manufacturing jobs, as we begin to build those highways, as we begin to build those educational opportunities, as we begin to build opportunities for children across this country.

I also think it should be noted that on a bipartisan basis, Republicans and Democrats alike worked to make sure that the money is targeted to the most neediest areas, to those areas that are hardest hit so that we can guarantee greater utilization, greater effectiveness in using these funds. This is a great day. It has taken us a long time to get to this point on the floor. There are a lot of people that deserve our thanks for doing it. To the people of Appalachia but particularly to the people across the country with the reauthorization of the Economic Development Administration and the Appalachian Regional Commission, we can make sure that we can continue this development in many of the hardest-hit areas of our country.

Mr. SHUSTER. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Maryland (Mr. GILCHREST) who is a member of our committee.

Mr. GILCHREST. Mr. Speaker, I want to thank the gentleman for yielding me this time, and I also want to thank the chairman and the ranking member from the Committee on Transportation and Infrastructure for all the work they have done, their tenacity, their patience and their determination to make sure these worthy programs are reauthorized and re-funded. I also want to thank the staff for all their hard work.

In my district, Mr. Speaker, we put together a consortium of the private sector along with an EDA grant to work with each of the economic development officers from each of the counties in my district. That is 10 counties that normally were competing with each other against economic growth and economic development.

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Along with this EDA grant and two utility companies that contributed dollars, these economic development officers worked together for about a year and-a-half. They put together what we would call in modern vernacularism for computers a CD/ROM to represent not one county, not two counties, but our district as a region.

We put a CD/ROM together for the whole region. The First Congressional District is one economic development region. We made 2,000 of those CD/ROMs, and we distributed those 2,000 CD/ROMs to corporations and businesses not only in our region and not only in the United States, but from around the world, and those corporations that have specific people designated as locators to find new areas for their industries to move into were given each one of those CD/ROMs, and now our district is an economic development region, we are having a great deal of prosperity, and a lot of thanks goes to the Economic Development Administration.

Mr. SHUSTER. Mr. Speaker, I yield 2 minutes of my time to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The gentleman from Minnesota is recognized for 2½ minutes.

Mr. OBERSTAR. Mr. Speaker, I want to pay tribute to the gentlewoman from Missouri (Mrs. EMERSON) for the splendid role she played along with the gentleman from Ohio (Mr. NEY) and Mr. PETERSON in bringing the coalition together that was necessary to bring this bill to the House floor. I want also to compliment the staff members, Bill Hughes, who does the budget work on the majority side, and Charlie Ziegler, with whom I have worked many years, many different capacities, for their splendid work and Ward McCarragher on the Democratic side for carrying this bill to its present exalted place and ready to be launched to the White House.

In closing, I just want to recall an observation from a hearing that we held on EDA in the 1980's in which Red Robinson, member of the board of the Southern Virginia Development District, said to the committee, with her proud mountain, conservative mountain, people. We are not asking for a handout. We are just asking for the little bit of resource that we need that we cannot provide for ourselves to lift ourselves out of poverty.

And he told a story of a young boy who arrived in school with a shoe under his arm, barefoot otherwise, and the teacher said, ''Johnnie, did you loose your shoe on the way to school?''

And the boy said, ''No, m'am. I found this good one.''

And Red Robinson said, ''We found a good program that helps us do good for people. Don't let it go away.''

EDA is not going away, Red Robinson. We found a good one. We are going to make it better, and we are going to make all of America better.

I thank the gentleman for his splendid work and splendid cooperation, and I urge support of the pending bill.

Mr. SHUSTER. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. WICKER).

(Mr. WICKER asked and was given permission to revise and extend his remarks.)

Mr. WICKER. Mr. Speaker, I rise in support of this legislation and in support of EDA and ARC and thanking the gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Pennsylvania (Mr. SHUSTER) for their leadership.

I take the floor today to express my strong support for S. 2364, the Economic Development Partnership Act.

Dollar for dollar, the Appalachian Regional Commission and the Economic Development Agency are two of the best bargains in government. These agencies spend only a small fraction of their funds on administration while the return on their investments are immense.

Most of EDA's funds go toward important grants and low cost loans. When the Canadian-owned Norbord company invested $88 million in a new Mississippi plant inn 1995, it was an EDA grant of $750,000 for a water supply system that made that new plant possible. Now that water system is helping keep more than 250 workers employed in good jobs, who generate tax revenues and contribute to the local economy. All over the country, EDA helps economically distressed communities build a solid base on which sustainable economic development can be established and maintained.

Similarly, ARC has a long track record of success. Just last year, the ARC, along with the City of New Albany and Union County, Mississippi, worked together to begin construction on a new 500,000 gallon water storage tank. ARC provided less than 50% of the

funds for this storage tank which was necessary for the city to receive a commitment from Wal-Mart to build a new Distribution Center. This center has helped spur the economy of the region by creating approximately 525 new jobs in 3 separate businesses.

It is also important to note that the ARC approval process is a model of local, state, and federal cooperation. Under ARC, projects originate from the local level and are selected by each state's governor. This is a bottom up program, not a Washington solution for local problems.

Mr. Chairman, I also want to thank Chairman SHUSTER and Ranking Member OBERSTAR for bringing this important legislation before the House today. This legislation represents an efficient and effective use of taxpayer dollars, and I look forward to hearing about more success stories in the future.

Mr. SHUSTER. Mr. Speaker, I yield myself the balance of my time.

As I close, Mr. Speaker, I would like to deal with the question of what has this Congress done. In fact more specifically, what has this committee of the Congress of the United States done.

Indeed, today we are passing historic legislation. For the first time in 17 years, economic development for the most depressed, most needy parts of our country, an investment in assets for the future to create jobs so that there will be a tax base, so schools and churches and synagogues and communities can again thrive. That is what is happening here today. It is happening on a bipartisan basis.

But not only has this committee done that this year, this committee passed the most historic transportation legislation in the history of our country excepting perhaps the creation of the interstate system. We passed a transportation bill which unlocks the Highway Trust Fund for highways and transit and safety so we can rebuild America and save thousands of lives in the process, make our country more competitive and prosperous and make travel more convenient for the American people. And beyond that, we passed an ocean shipping bill to create more competition in shipping for our industries in America. And, as we wind down this Congress, it appears we have an agreement on an airport improvement program, a short term extension which will put us in the position to deal with the overall issue next year to unlock the Aviation Trust Fund, something vital to the future of America. And the water resources bill is in final stages of this negotiation right now. With a little luck we will have that to the floor.

What do all of these bills represent? Well, they do not represent talking about Bosnia, they do not represent who slept in the Lincoln bedroom. What they represent is building America to deal with the issues that affect the lives of virtually every American every day. These are the things that make our country a better place in which to live and work, and this committee, on a bipartisan basis, with the cooperation of the Democrats and the Republicans and indeed with cooperation of many in the Clinton administration, and I would particularly single out Jesse White and Phil Singerman on EDA and ARC, and likewise Secretary Slater, and the Office of Management and Budget which is so often maligned, but nevertheless played a key role as we developed the historic transportation legislation just a few months ago.

These are the things that this committee has done and has done because of the bipartisan nature of the committee and because of the support of the governors, the mayors, the county commissioners, the citizens all across America.

So, Mr. Speaker, when one asks what has this Congress done, I suggest they look at the results, the bipartisan results, of the Committee on Transportation and Infrastructure because therein lies a large part of the answer.

Mr. CUMMINGS. Mr. Speaker, I rise today in strong support of the reauthorization of the Economic Development Administration.

The EDA reauthorization has been a long time coming and I commend this Congress for finally taking a strong stand in support of local community economic development.

Baltimore city and Baltimore county are currently working with EDA as the recipients of several EDA grants.

In fact, communities in my district have been working with EDA throughout it's tenure.

These grants have proven to be unparalleled in the assistance they provide the communities in my district, in my state and across the country as they work towards economic stability and equality for their citizens.

I thank the EDA for it's efforts.

The EDA plays such a crucial role in local economic development because it is guided by the basic principle that distressed communities must be empowered to develop and implement their own economic development and revitalization strategies.

This respect for local input and participation makes EDA unique among federal agencies and an organization most worthy of our continued and sustained support.

Mr. Speaker, many areas of this country and individuals in our districts are not receiving all of the benefits of the latest economic boom.

The EDA is one of the few federal agencies that has and continues to play a major role in helping these communities help themselves to build a strong and lasting economic base in the face of difficult circumstances.

Furthermore, the EDA has enacted numerous necessary and highly beneficial reforms over the past several years to make it a more focused and efficient organization.

Today's legislation will aid the agency in this process and ensure that it becomes an even more effective agency in the future.

I commend the members of the Committee for this legislation and I strongly support its final passage.

Mr. STRICKLAND. Mr. Speaker, I rise today in support of the Appalachian Regional Commission and the Economic Development Administration. These two programs work to uplift those regions in this nation that have been left out of many of the rapid improvements in transportation systems, infrastructure development, communications capabilities, and health care accessibility.

In my District in southern Ohio, the median family income is less than $22,000 a year, and the college-going rate is less than half the national average. The area is medically underserved, and unemployment rates are consistently above the state and national average.

My constitutents want to participate in the economic recovery in this country. The Economic Development Administration (EDA) and the Appalachian Regional Commission (ARC), under the direction of Dr. Singerman and Dr. White, target the specific needs of areas like southern Ohio with health care grants, highway construction, incentives to encourage entrepreneurship, and basic infrastructure development. Residents in the Sixth Congressional District can attest to the tremendous value of these two programs by pointing to numerous projects that would have been impossible without the support of EDA and ARC.

I am pleased to support today's reauthorization legislation, which will ensure the ongoing mission of these two important agencies. I would like to thank the Transportation and Commerce Committees for their work on this important bill, and commend Federal Co-Chair Jesse White and Assistant Commerce Secretary Singerman for their emergetic labor. And I look forward to working with both of them as the ARC and the EDA move forward into the 21st Century.

Mr. RAHALL. Mr. Speaker, I rise in strong support of this legislation to reauthorize the Appalachian Regional Commission (ARC) and the Economic Development Administration Act (EDA).

It is time, Mr. Speaker, to have reached agreement to reauthorize these two economic development programs—the ARC and EDA—for the first time in nearly 17 years.

As passed by the Senate, the legislation before us is similar to H.R. 4275, the bill reauthorizing ARC/EDA that was reported by the Transportation & Infrastructure Committee, and its Subcommittee on Public Buildings and Economic Development, where I am pleased to serve and proud to be a part of our bipartisan efforts to provide economic development assistance to the most distressed areas of the country.

The House, Mr. Speaker, has passed reauthorization legislation every one of the past 17 years except for the 103rd Congress—and it was the bipartisan, positive attention given to it by the Chairmen of the Committee on Transportation and Infrastructure and its Subcommittee on Economic Development who distinguished themselves as leaders in the effort to keep the ARC and EDA programs alive.

I want to commend Subcommittee Chairman JAY KIM and the ranking Member JIM TRAFICANT, as well as Chairman SHUSTER and ranking Member JIM OBERSTAR, my good friends and able chairmen for their enormous efforts to bring reauthorization legislation for these two vital economic development programs to a vote after all these years.

This legislation preserves the basics of the Economic Development Administration, as well as those of the ARC. The bill recognizes that the EDA programs have been enormously successful in aiding distressed regions of the nation. The bill strengthens EDA by reforming program delivery, and tightening eligibility so that funding no longer goes to over 85 percent of the country.

The EDA reauthorization adds new economic development tools, and it responds to communities subject to base closings and defense cutbacks.

The bill also recognizes and builds upon the ARC, a well-known, highly successful model for Federal-state cooperation.

Because of the foresight of the Transportation & Infrastructure Committee, and with the strong support of the senior Senator from West Virginia, ROBERT C. BYRD, the ARC's Appalachian Development Highway is now funded from the Highway Trust Fund as authorized under TEA21. Carving the development highway out of the ARC has reduced authorized funding by $100 million a year, to $67 million in FY99 and—as newly configured—permits better targeting of ARC funds to truly distressed regions within the 13 State, 400 county region.

Mr. Speaker despite being unauthorized since 1982, both the EDA and the ARC have continued to receive strong bipartisan support for continued funding over the years, but it wasn't always easy. I think it appropriate to thank the House Appropriations Committee leaders from both sides of the aisle over the past 17 years, for keeping hope alive for the ARC and the EDA.

I can think of hundreds of ARC projects that have helped West Virginia—but one that comes to mind is the Gardner Interchange and Industrial Park Water and Sewer Improvements. This project in Mercer county helped retain and create more than 768 jobs in an area struggling against economic decline and severe stress. And as I said, it is only one of many projects funded by the ARC to help the people of Appalachia continue to grow and to realize their full potential.

The Economic Development Administration—the EDA—has undergone significant downsizing over these 17 years—but the downsizing has strengthened rather than weakened it, improving its efficiency. This reauthorization today will give EDA the stability it lacked over these many years. Now it can move forward in response to the changing needs of America's distressed communities, and it can do so with confidence.

I applaud today's vote on the reauthorization of the EDA and the ARC, and can think of no more fitting way to continue the many economic benefits of these two vital programs than to carry them forward, into the 21st Century.

I urge my colleagues to vote in favor of this legislation.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. SHUSTER) that the House suspend the rules and pass the Senate bill, S. 2364.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on S. 2364, the bill just passed.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HEALTH PROFESSIONS EDUCATION PARTNERSHIPS ACT OF 1998

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1754) to amend the Public Health Service Act to consolidate and reauthorize health professions and minority and disadvantaged health education programs, and for other purposes, as amended.

The Clerk read as follows:

S. 1754

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Health Professions Education Partnerships Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—HEALTH PROFESSIONS EDUCATION AND FINANCIAL ASSISTANCE PROGRAMS

Subtitle A—Health Professions Education Programs

Sec. 101. Under-represented minority health professions grant program.
Sec. 102. Training in primary care medicine and dentistry.
Sec. 103. Interdisciplinary, community-based linkages.
Sec. 104. Health professions workforce information and analysis.
Sec. 105. Public health workforce development.
Sec. 106. General provisions.
Sec. 107. Preference in certain programs.
Sec. 108. Definitions.
Sec. 109. Technical amendment on National Health Service Corps.
Sec. 110. Savings provision.

Subtitle B—Nursing Workforce Development

Sec. 121. Short title.
Sec. 122. Purpose.
Sec. 123. Amendments to Public Health Service Act.
Sec. 124. Savings provision.

Subtitle C—Financial Assistance

CHAPTER 1—SCHOOL-BASED REVOLVING LOAN FUNDS

Sec. 131. Primary care loan program.
Sec. 132. Loans for disadvantaged students.
Sec. 133. Student loans regarding schools of nursing.
Sec. 134. General provisions.

CHAPTER 2—INSURED HEALTH EDUCATION ASSISTANCE LOANS TO GRADUATE STUDENTS

Sec. 141. Health Education Assistance Loan Program.
Sec. 142. HEAL lender and holder performance standards.
Sec. 143. Insurance Program.
Sec. 144. HEAL bankruptcy.
Sec. 145. HEAL refinancing.

TITLE II—OFFICE OF MINORITY HEALTH

Sec. 201. Revision and extension of programs of Office of Minority Health.

TITLE III—SELECTED INITIATIVES

Sec. 301. State offices of rural health.
Sec. 302. Demonstration projects regarding Alzheimer's Disease.
Sec. 303. Project grants for immunization services.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Technical corrections regarding Public Law 103–183.
Sec. 402. Miscellaneous amendments regarding PHS commissioned officers.
Sec. 403. Clinical traineeships.
Sec. 404. Project grants for screenings, referrals, and education regarding lead poisoning.
Sec. 405. Project grants for preventive health services regarding tuberculosis.
Sec. 406. CDC loan repayment program.
Sec. 407. Community programs on domestic violence.
Sec. 408. State loan repayment program.
Sec. 409. Authority of the director of NIH.
Sec. 410. Raise in maximum level of loan repayments.
Sec. 411. Construction of regional centers for research on primates.
Sec. 412. Peer review.
Sec. 413. Funding for trauma care.
Sec. 414. Health information and health promotion.
Sec. 415. Emergency medical services for children.
Sec. 416. Administration of certain requirements.
Sec. 417. Aids drug assistance program.
Sec. 418. National Foundation for Biomedical Research.
Sec. 419. Fetal Alcohol Syndrome prevention and services.

TITLE I—HEALTH PROFESSIONS EDUCATION AND FINANCIAL ASSISTANCE PROGRAMS

Subtitle A—Health Professions Education Programs

SEC. 101. UNDER-REPRESENTED MINORITY HEALTH PROFESSIONS GRANT PROGRAM.

(a) IN GENERAL.—Part B of title VII of the Public Health Service Act (42 U.S.C. 293 et seq.) is amended to read as follows:

''PART B—HEALTH PROFESSIONS TRAINING FOR DIVERSITY

''SEC. 736. CENTERS OF EXCELLENCE.

''(a) IN GENERAL.—The Secretary shall make grants to, and enter into contracts with, designated health professions schools described in subsection (c), and other public and nonprofit health or educational entities, for the purpose of assisting the schools in supporting programs of excellence in health professions education for under-represented minority individuals.

''(b) REQUIRED USE OF FUNDS.—The Secretary may not make a grant under subsection (a) unless the designated health professions school involved agrees, subject to subsection (c)(1)(C), to expend the grant—

''(1) to develop a large competitive applicant pool through linkages with institutions of higher education, local school districts, and other community-based entities and establish an education pipeline for health professions careers;

''(2) to establish, strengthen, or expand programs to enhance the academic performance of under-represented minority students attending the school;

''(3) to improve the capacity of such school to train, recruit, and retain under-represented minority faculty including the payment of such stipends and fellowships as the Secretary may determine appropriate;

''(4) to carry out activities to improve the information resources, clinical education, curricula and cultural competence of the

graduates of the school, as it relates to minority health issues;

''(5) to facilitate faculty and student research on health issues particularly affecting under-represented minority groups, including research on issues relating to the delivery of health care;

''(6) to carry out a program to train students of the school in providing health services to a significant number of under-represented minority individuals through training provided to such students at community-based health facilities that—

''(A) provide such health services; and

''(B) are located at a site remote from the main site of the teaching facilities of the school; and

''(7) to provide stipends as the Secretary determines appropriate, in amounts as the Secretary determines appropriate.

''(c) CENTERS OF EXCELLENCE.—

''(1) DESIGNATED SCHOOLS.—

''(A) IN GENERAL.—The designated health professions schools referred to in subsection (a) are such schools that meet each of the conditions specified in subparagraphs (B) and (C), and that—

''(i) meet each of the conditions specified in paragraph (2)(A);

''(ii) meet each of the conditions specified in paragraph (3);

''(iii) meet each of the conditions specified in paragraph (4); or

''(iv) meet each of the conditions specified in paragraph (5).

''(B) GENERAL CONDITIONS.—The conditions specified in this subparagraph are that a designated health professions school—

''(i) has a significant number of under-represented minority individuals enrolled in the school, including individuals accepted for enrollment in the school;

''(ii) has been effective in assisting under-represented minority students of the school to complete the program of education and receive the degree involved;

''(iii) has been effective in recruiting under-represented minority individuals to enroll in and graduate from the school, including providing scholarships and other financial assistance to such individuals and encouraging under-represented minority students from all levels of the educational pipeline to pursue health professions careers; and

''(iv) has made significant recruitment efforts to increase the number of under-represented minority individuals serving in faculty or administrative positions at the school.

''(C) CONSORTIUM.—The condition specified in this subparagraph is that, in accordance with subsection (e)(1), the designated health profession school involved has with other health profession schools (designated or otherwise) formed a consortium to carry out the purposes described in subsection (b) at the schools of the consortium.

''(D) APPLICATION OF CRITERIA TO OTHER PROGRAMS.—In the case of any criteria established by the Secretary for purposes of determining whether schools meet the conditions described in subparagraph (B), this section may not, with respect to racial and ethnic minorities, be construed to authorize, require, or prohibit the use of such criteria in any program other than the program established in this section.

''(2) CENTERS OF EXCELLENCE AT CERTAIN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.—

''(A) CONDITIONS.—The conditions specified in this subparagraph are that a designated health professions school—

''(i) is a school described in section 799B(1); and

''(ii) received a contract under section 788B for fiscal year 1987, as such section was in effect for such fiscal year.

''(B) USE OF GRANT.—In addition to the purposes described in subsection (b), a grant under subsection (a) to a designated health professions school meeting the conditions described in subparagraph (A) may be expended—

''(i) to develop a plan to achieve institutional improvements, including financial independence, to enable the school to support programs of excellence in health professions education for under-represented minority individuals; and

''(ii) to provide improved access to the library and informational resources of the school.

''(C) EXCEPTION.—The requirements of paragraph (1)(C) shall not apply to a historically black college or university that receives funding under paragraphs (2) or (5).

''(3) HISPANIC CENTERS OF EXCELLENCE.—The conditions specified in this paragraph are that—

''(A) with respect to Hispanic individuals, each of clauses (i) through (iv) of paragraph (1)(B) applies to the designated health professions school involved;

''(B) the school agrees, as a condition of receiving a grant under subsection (a), that the school will, in carrying out the duties described in subsection (b), give priority to carrying out the duties with respect to Hispanic individuals; and

''(C) the school agrees, as a condition of receiving a grant under subsection (a), that—

''(i) the school will establish an arrangement with 1 or more public or nonprofit community based Hispanic serving organizations, or public or nonprofit private institutions of higher education, including schools of nursing, whose enrollment of students has traditionally included a significant number of Hispanic individuals, the purposes of which will be to carry out a program—

''(I) to identify Hispanic students who are interested in a career in the health profession involved; and

''(II) to facilitate the educational preparation of such students to enter the health professions school; and

''(ii) the school will make efforts to recruit Hispanic students, including students who have participated in the undergraduate or other matriculation program carried out under arrangements established by the school pursuant to clause (i)(II) and will assist Hispanic students regarding the completion of the educational requirements for a degree from the school.

''(4) NATIVE AMERICAN CENTERS OF EXCELLENCE.—Subject to subsection (e), the conditions specified in this paragraph are that—

''(A) with respect to Native Americans, each of clauses (i) through (iv) of paragraph (1)(B) applies to the designated health professions school involved;

''(B) the school agrees, as a condition of receiving a grant under subsection (a), that the school will, in carrying out the duties described in subsection (b), give priority to carrying out the duties with respect to Native Americans; and

''(C) the school agrees, as a condition of receiving a grant under subsection (a), that—

''(i) the school will establish an arrangement with 1 or more public or nonprofit private institutions of higher education, including schools of nursing, whose enrollment of students has traditionally included a significant number of Native Americans, the purpose of which arrangement will be to carry out a program—

''(I) to identify Native American students, from the institutions of higher education referred to in clause (i), who are interested in health professions careers; and

''(II) to facilitate the educational preparation of such students to enter the designated health professions school; and

''(ii) the designated health professions school will make efforts to recruit Native American students, including students who have participated in the undergraduate program carried out under arrangements established by the school pursuant to clause (i) and will assist Native American students regarding the completion of the educational requirements for a degree from the designated health professions school.

''(5) OTHER CENTERS OF EXCELLENCE.—The conditions specified in this paragraph are—

''(A) with respect to other centers of excellence, the conditions described in clauses (i) through (iv) of paragraph (1)(B); and

''(B) that the health professions school involved has an enrollment of under-represented minorities above the national average for such enrollments of health professions schools.

''(d) DESIGNATION AS CENTER OF EXCELLENCE.—

''(1) IN GENERAL.—Any designated health professions school receiving a grant under subsection (a) and meeting the conditions described in paragraph (2) or (5) of subsection (c) shall, for purposes of this section, be designated by the Secretary as a Center of Excellence in Under-Represented Minority Health Professions Education.

''(2) HISPANIC CENTERS OF EXCELLENCE.—Any designated health professions school receiving a grant under subsection (a) and meeting the conditions described in subsection (c)(3) shall, for purposes of this section, be designated by the Secretary as a Hispanic Center of Excellence in Health Professions Education.

''(3) NATIVE AMERICAN CENTERS OF EXCELLENCE.—Any designated health professions school receiving a grant under subsection (a) and meeting the conditions described in subsection (c)(4) shall, for purposes of this section, be designated by the Secretary as a Native American Center of Excellence in Health Professions Education. Any consortium receiving such a grant pursuant to subsection (e) shall, for purposes of this section, be so designated.

''(e) AUTHORITY REGARDING NATIVE AMERICAN CENTERS OF EXCELLENCE.—With respect to meeting the conditions specified in subsection (c)(4), the Secretary may make a grant under subsection (a) to a designated health professions school that does not meet such conditions if—

''(1) the school has formed a consortium in accordance with subsection (d)(1); and

''(2) the schools of the consortium collectively meet such conditions, without regard to whether the schools individually meet such conditions.

''(f) DURATION OF GRANT.—The period during which payments are made under a grant under subsection (a) may not exceed 5 years. Such payments shall be subject to annual approval by the Secretary and to the availability of appropriations for the fiscal year involved to make the payments.

''(g) DEFINITIONS.—In this section:

''(1) DESIGNATED HEALTH PROFESSIONS SCHOOL.—

''(A) IN GENERAL.—The term 'health professions school' means, except as provided in subparagraph (B), a school of medicine, a school of osteopathic medicine, a school of dentistry, a school of pharmacy, or a graduate program in behavioral or mental health.

''(B) EXCEPTION.—The definition established in subparagraph (A) shall not apply to the use of the term 'designated health professions school' for purposes of subsection (c)(2).

''(2) PROGRAM OF EXCELLENCE.—The term 'program of excellence' means any program

carried out by a designated health professions school with a grant made under subsection (a), if the program is for purposes for which the school involved is authorized in subsection (b) or (c) to expend the grant.

''(3) NATIVE AMERICANS.—The term 'Native Americans' means American Indians, Alaskan Natives, Aleuts, and Native Hawaiians.

''(h) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants under subsection (a), there authorized to be appropriated $26,000,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002.

''(2) ALLOCATIONS.—Based on the amount appropriated under paragraph (1) for a fiscal year, one of the following subparagraphs shall apply:

''(A) IN GENERAL.—If the amounts appropriated under paragraph (1) for a fiscal year are $24,000,000 or less—

''(i) the Secretary shall make available $12,000,000 for grants under subsection (a) to health professions schools that meet the conditions described in subsection (c)(2)(A); and

''(ii) and available after grants are made with funds under clause (i), the Secretary shall make available—

''(I) 60 percent of such amount for grants under subsection (a) to health professions schools that meet the conditions described in paragraph (3) or (4) of subsection (c) (including meeting the conditions under subsection (e)); and

''(II) 40 percent of such amount for grants under subsection (a) to health professions schools that meet the conditions described in subsection (c)(5).

''(B) FUNDING IN EXCESS OF $24,000,000.—If amounts appropriated under paragraph (1) for a fiscal year exceed $24,000,000 but are less than $30,000,000—

''(i) 80 percent of such excess amounts shall be made available for grants under subsection (a) to health professions schools that meet the requirements described in paragraph (3) or (4) of subsection (c) (including meeting conditions pursuant to subsection (e)); and

''(ii) 20 percent of such excess amount shall be made available for grants under subsection (a) to health professions schools that meet the conditions described in subsection (c)(5).

''(C) FUNDING IN EXCESS OF $30,000,000.—If amounts appropriated under paragraph (1) for a fiscal year are $30,000,000 or more, the Secretary shall make available—

''(i) not less than $12,000,000 for grants under subsection (a) to health professions schools that meet the conditions described in subsection (c)(2)(A);

''(ii) not less than $12,000,000 for grants under subsection (a) to health professions schools that meet the conditions described in paragraph (3) or (4) of subsection (c) (including meeting conditions pursuant to subsection (e));

''(iii) not less than $6,000,000 for grants under subsection (a) to health professions schools that meet the conditions described in subsection (c)(5); and

''(iv) after grants are made with funds under clauses (i) through (iii), any remaining funds for grants under subsection (a) to health professions schools that meet the conditions described in paragraph (2)(A), (3), (4), or (5) of subsection (c).

''(3) NO LIMITATION.—Nothing in this subsection shall be construed as limiting the centers of excellence referred to in this section to the designated amount, or to preclude such entities from competing for other grants under this section.

''(4) MAINTENANCE OF EFFORT.—

''(A) IN GENERAL.—With respect to activities for which a grant made under this part are authorized to be expended, the Secretary may not make such a grant to a center of excellence for any fiscal year unless the center agrees to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the center for the fiscal year preceding the fiscal year for which the school receives such a grant.

''(B) USE OF FEDERAL FUNDS.—With respect to any Federal amounts received by a center of excellence and available for carrying out activities for which a grant under this part is authorized to be expended, the Secretary may not make such a grant to the center for any fiscal year unless the center agrees that the center will, before expending the grant, expend the Federal amounts obtained from sources other than the grant.

''SEC. 737. SCHOLARSHIPS FOR DISADVANTAGED STUDENTS.

''(a) IN GENERAL.—The Secretary may make a grant to an eligible entity (as defined in subsection (d)(1)) under this section for the awarding of scholarships by schools to any full-time student who is an eligible individual as defined in subsection (d). Such scholarships may be expended only for tuition expenses, other reasonable educational expenses, and reasonable living expenses incurred in the attendance of such school.

''(b) PREFERENCE IN PROVIDING SCHOLARSHIPS.—The Secretary may not make a grant to an entity under subsection (a) unless the health professions and nursing schools involved agree that, in providing scholarships pursuant to the grant, the schools will give preference to students for whom the costs of attending the schools would constitute a severe financial hardship and, notwithstanding other provisions of this section, to former recipients of scholarships under sections 736 and 740(d)(2)(B) (as such sections existed on the day before the date of enactment of this section).

''(c) AMOUNT OF AWARD.—In awarding grants to eligible entities that are health professions and nursing schools, the Secretary shall give priority to eligible entities based on the proportion of graduating students going into primary care, the proportion of underrepresented minority students, and the proportion of graduates working in medically underserved communities.

''(d) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITIES.—The term 'eligible entities' means an entity that—

''(A) is a school of medicine, osteopathic medicine, dentistry, nursing (as defined in section 801), pharmacy, podiatric medicine, optometry, veterinary medicine, public health, chiropractic, or allied health, a school offering a graduate program in behavioral and mental health practice, or an entity providing programs for the training of physician assistants; and

''(B) is carrying out a program for recruiting and retaining students from disadvantaged backgrounds, including students who are members of racial and ethnic minority groups.

''(2) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who—

''(A) is from a disadvantaged background;

''(B) has a financial need for a scholarship; and

''(C) is enrolled (or accepted for enrollment) at an eligible health professions or nursing school as a full-time student in a program leading to a degree in a health profession or nursing.

''SEC. 738. LOAN REPAYMENTS AND FELLOWSHIPS REGARDING FACULTY POSITIONS.

''(a) LOAN REPAYMENTS.—

''(1) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program of entering into contracts with individuals described in paragraph (2) under which the individuals agree to serve as members of the faculties of schools described in paragraph (3) in consideration of the Federal Government agreeing to pay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such individuals.

''(2) ELIGIBLE INDIVIDUALS.—The individuals referred to in paragraph (1) are individuals from disadvantaged backgrounds who—

''(A) have a degree in medicine, osteopathic medicine, dentistry, nursing, or another health profession;

''(B) are enrolled in an approved graduate training program in medicine, osteopathic medicine, dentistry, nursing, or other health profession; or

''(C) are enrolled as full-time students—

''(i) in an accredited (as determined by the Secretary) school described in paragraph (3); and

''(ii) in the final year of a course of a study or program, offered by such institution and approved by the Secretary, leading to a degree from such a school.

''(3) ELIGIBLE HEALTH PROFESSIONS SCHOOLS.—The schools described in this paragraph are schools of medicine, nursing (as schools of nursing are defined in section 801), osteopathic medicine, dentistry, pharmacy, allied health, podiatric medicine, optometry, veterinary medicine, or public health, or schools offering graduate programs in behavioral and mental health.

''(4) REQUIREMENTS REGARDING FACULTY POSITIONS.—The Secretary may not enter into a contract under paragraph (1) unless—

''(A) the individual involved has entered into a contract with a school described in paragraph (3) to serve as a member of the faculty of the school for not less than 2 years; and

''(B) the contract referred to in subparagraph (A) provides that—

''(i) the school will, for each year for which the individual will serve as a member of the faculty under the contract with the school, make payments of the principal and interest due on the educational loans of the individual for such year in an amount equal to the amount of such payments made by the Secretary for the year;

''(ii) the payments made by the school pursuant to clause (i) on behalf of the individual will be in addition to the pay that the individual would otherwise receive for serving as a member of such faculty; and

''(iii) the school, in making a determination of the amount of compensation to be provided by the school to the individual for serving as a member of the faculty, will make the determination without regard to the amount of payments made (or to be made) to the individual by the Federal Government under paragraph (1).

''(5) APPLICABILITY OF CERTAIN PROVISIONS.—The provisions of sections 338C, 338G, and 338I shall apply to the program established in paragraph (1) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, including the applicability of provisions regarding reimbursements for increased tax liability and regarding bankruptcy.

''(6) WAIVER REGARDING SCHOOL CONTRIBUTIONS.—The Secretary may waive the requirement established in paragraph (4)(B) if the Secretary determines that the requirement will impose an undue financial hardship on the school involved.

''(b) FELLOWSHIPS.—

''(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with eligible entities to assist such entities in increasing the number of underrepresented minority

individuals who are members of the faculty of such schools.

''(2) APPLICATIONS.—To be eligible to receive a grant or contract under this subsection, an entity shall provide an assurance, in the application submitted by the entity, that—

''(A) amounts received under such a grant or contract will be used to award a fellowship to an individual only if the individual meets the requirements of paragraphs (3) and (4); and

''(B) each fellowship awarded pursuant to the grant or contract will include—

''(i) a stipend in an amount not exceeding 50 percent of the regular salary of a similar faculty member for not to exceed 3 years of training; and

''(ii) an allowance for other expenses, such as travel to professional meetings and costs related to specialized training.

''(3) ELIGIBILITY.—To be eligible to receive a grant or contract under paragraph (1), an applicant shall demonstrate to the Secretary that such applicant has or will have the ability to—

''(A) identify, recruit and select underrepresented minority individuals who have the potential for teaching, administration, or conducting research at a health professions institution;

''(B) provide such individuals with the skills necessary to enable them to secure a tenured faculty position at such institution, which may include training with respect to pedagogical skills, program administration, the design and conduct of research, grants writing, and the preparation of articles suitable for publication in peer reviewed journals;

''(C) provide services designed to assist such individuals in their preparation for an academic career, including the provision of counselors; and

''(D) provide health services to rural or medically underserved populations.

''(4) REQUIREMENTS.—To be eligible to receive a grant or contract under paragraph (1) an applicant shall—

''(A) provide an assurance that such applicant will make available (directly through cash donations) $1 for every $1 of Federal funds received under this section for the fellowship;

''(B) provide an assurance that institutional support will be provided for the individual for the second and third years at a level that is equal to the total amount of institutional funds provided in the year in which the grant or contract was awarded;

''(C) provide an assurance that the individual that will receive the fellowship will be a member of the faculty of the applicant school; and

''(D) provide an assurance that the individual that will receive the fellowship will have, at a minimum, appropriate advanced preparation (such as a master's or doctoral degree) and special skills necessary to enable such individual to teach and practice.

''(5) DEFINITION.—For purposes of this subsection, the term 'underrepresented minority individuals' means individuals who are members of racial or ethnic minority groups that are underrepresented in the health professions including nursing.

''SEC. 739. EDUCATIONAL ASSISTANCE IN THE HEALTH PROFESSIONS REGARDING INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

''(a) IN GENERAL.—

''(1) AUTHORITY FOR GRANTS.—For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into contracts with schools of medicine, osteopathic medicine, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, and podiatric medicine, public and nonprofit private schools that offer graduate programs in behavioral and mental health, programs for the training of physician assistants, and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2).

''(2) AUTHORIZED EXPENDITURES.—A grant or contract under paragraph (1) may be used by the entity to meet the cost of—

''(A) identifying, recruiting, and selecting individuals from disadvantaged backgrounds, as so determined, for education and training in a health profession;

''(B) facilitating the entry of such individuals into such a school;

''(C) providing counseling, mentoring, or other services designed to assist such individuals to complete successfully their education at such a school;

''(D) providing, for a period prior to the entry of such individuals into the regular course of education of such a school, preliminary education and health research training designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education;

''(E) publicizing existing sources of financial aid available to students in the education program of such a school or who are undertaking training necessary to qualify them to enroll in such a program;

''(F) paying such scholarships as the Secretary may determine for such individuals for any period of health professions education at a health professions school;

''(G) paying such stipends as the Secretary may approve for such individuals for any period of education in student-enhancement programs (other than regular courses), except that such a stipend may not be provided to an individual for more than 12 months, and such a stipend shall be in an amount determined appropriate by the Secretary (notwithstanding any other provision of law regarding the amount of stipends);

''(H) carrying out programs under which such individuals gain experience regarding a career in a field of primary health care through working at facilities of public or private nonprofit community-based providers of primary health services; and

''(I) conducting activities to develop a larger and more competitive applicant pool through partnerships with institutions of higher education, school districts, and other community-based entities.

''(3) DEFINITION.—In this section, the term 'regular course of education of such a school' as used in subparagraph (D) includes a graduate program in behavioral or mental health.

''(b) REQUIREMENTS FOR AWARDS.—In making awards to eligible entities under subsection (a)(1), the Secretary shall give preference to approved applications for programs that involve a comprehensive approach by several public or nonprofit private health or educational entities to establish, enhance and expand educational programs that will result in the development of a competitive applicant pool of individuals from disadvantaged backgrounds who desire to pursue health professions careers. In considering awards for such a comprehensive partnership approach, the following shall apply with respect to the entity involved:

''(1) The entity shall have a demonstrated commitment to such approach through formal agreements that have common objectives with institutions of higher education, school districts, and other community-based entities.

''(2) Such formal agreements shall reflect the coordination of educational activities and support services, increased linkages, and the consolidation of resources within a specific geographic area.

''(3) The design of the educational activities involved shall provide for the establishment of a competitive health professions applicant pool of individuals from disadvantaged backgrounds by enhancing the total preparation (academic and social) of such individuals to pursue a health professions career.

''(4) The programs or activities under the award shall focus on developing a culturally competent health care workforce that will serve the unserved and underserved populations within the geographic area.

''(c) EQUITABLE ALLOCATION OF FINANCIAL ASSISTANCE.—The Secretary, to the extent practicable, shall ensure that services and activities under subsection (a) are adequately allocated among the various racial and ethnic populations who are from disadvantaged backgrounds.

''(d) MATCHING REQUIREMENTS.—The Secretary may require that an entity that applies for a grant or contract under subsection (a), provide non-Federal matching funds, as appropriate, to ensure the institutional commitment of the entity to the projects funded under the grant or contract. As determined by the Secretary, such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in-kind, fairly evaluated, including plant, equipment, or services.

''SEC. 740. AUTHORIZATION OF APPROPRIATION.

''(a) SCHOLARSHIPS.—There are authorized to be appropriated to carry out section 737, $37,000,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002. Of the amount appropriated in any fiscal year, the Secretary shall ensure that not less than 16 percent shall be distributed to schools of nursing.

''(b) LOAN REPAYMENTS AND FELLOWSHIPS.—For the purpose of carrying out section 738, there is authorized to be appropriated $1,100,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002.

''(c) EDUCATIONAL ASSISTANCE IN HEALTH PROFESSIONS REGARDING INDIVIDUALS FOR DISADVANTAGED BACKGROUNDS.—For the purpose of grants and contracts under section 739(a)(1), there is authorized to be appropriated $29,400,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002. The Secretary may use not to exceed 20 percent of the amount appropriated for a fiscal year under this subsection to provide scholarships under section 739(a)(2)(F).

''(d) REPORT.—Not later than 6 months after the date of enactment of this part, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the efforts of the Secretary to address the need for a representative mix of individuals from historically minority health professions schools, or from institutions or other entities that historically or by geographic location have a demonstrated record of training or educating underrepresented minorities, within various health professions disciplines, on peer review councils.''.

(b) REPEAL.—

(1) IN GENERAL.—Section 795 of the Public Health Service Act (42 U.S.C. 295n) is repealed.

(2) NONTERMINATION OF AUTHORITY.—The amendments made by this section shall not be construed to terminate agreements that,

on the day before the date of enactment of this Act, are in effect pursuant to section 795 of the Public Health Service Act (42 U.S.C. 795) as such section existed on such date. Such agreements shall continue in effect in accordance with the terms of the agreements. With respect to compliance with such agreements, any period of practice as a provider of primary health services shall be counted towards the satisfaction of the requirement of practice pursuant to such section 795.

(c) CONFORMING AMENDMENTS.—Section 481A(c)(3)(D)(i) of the Public Health Service Act (42 U.S.C. 287a–2(c)(3)(D)(i)) is amended by striking ''section 739'' and inserting ''part B of title VII''.

SEC. 102. TRAINING IN PRIMARY CARE MEDICINE AND DENTISTRY.

Part C of title VII of the Public Health Service Act (42 U.S.C. 293 et seq.) is amended—

(1) in the part heading by striking ''**PRIMARY HEALTH CARE**'' and inserting ''**FAMILY MEDICINE, GENERAL INTERNAL MEDICINE, GENERAL PEDIATRICS, PHYSICIAN ASSISTANTS, GENERAL DENTISTRY, AND PEDIATRIC DENTISTRY**'';

(2) by repealing section 746 (42 U.S.C. 293j);

(3) in section 747 (42 U.S.C. 293k)—

(A) by striking the section heading and inserting the following:

''SEC. 747. FAMILY MEDICINE, GENERAL INTERNAL MEDICINE, GENERAL PEDIATRICS, GENERAL DENTISTRY, PEDIATRIC DENTISTRY, AND PHYSICIAN ASSISTANTS.'';

(B) in subsection (a)—

(i) in paragraph (1)—

(I) by inserting '', internal medicine, or pediatrics'' after ''family medicine''; and

(II) by inserting before the semicolon the following: ''that emphasizes training for the practice of family medicine, general internal medicine, or general pediatrics (as defined by the Secretary)'';

(ii) in paragraph (2), by inserting '', general internal medicine, or general pediatrics'' before the semicolon;

(iii) in paragraphs (3) and (4), by inserting ''(including geriatrics), general internal medicine or general pediatrics'' after ''family medicine'';

(iv) in paragraph (3), by striking ''and'' at the end thereof;

(v) in paragraph (4), by striking the period and inserting a semicolon; and

(vii) by adding at the end thereof the following new paragraphs:

''(5) to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section 799B), and for the training of individuals who will teach in programs to provide such training; and

''(6) to meet the costs of planning, developing, or operating programs, and to provide financial assistance to residents in such programs, of general dentistry or pediatric dentistry.

For purposes of paragraph (6), entities eligible for such grants or contracts shall include entities that have programs in dental schools, approved residency programs in the general or pediatric practice of dentistry, approved advanced education programs in the general or pediatric practice of dentistry, or approved residency programs in pediatric dentistry.'';

(C) in subsection (b)—

(i) in paragraphs (1) and (2)(A), by inserting '', general internal medicine, or general pediatrics'' after ''family medicine'';

(ii) in paragraph (2)—

(I) in subparagraph (A), by striking ''or'' at the end; and

(II) in subparagraph (B), by striking the period and inserting ''; or''; and

(iii) by adding at the end the following:

''(3) PRIORITY IN MAKING AWARDS.—In making awards of grants and contracts under paragraph (1), the Secretary shall give priority to any qualified applicant for such an award that proposes a collaborative project between departments of primary care.'';

(D) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(E) by inserting after subsection (b), the following new subsection:

''(c) PRIORITY.—

''(1) IN GENERAL.—With respect to programs for the training of interns or residents, the Secretary shall give priority in awarding grants under this section to qualified applicants that have a record of training the greatest percentage of providers, or that have demonstrated significant improvements in the percentage of providers, which enter and remain in primary care practice or general or pediatric dentistry.

''(2) DISADVANTAGED INDIVIDUALS.—With respect to programs for the training of interns, residents, or physician assistants, the Secretary shall give priority in awarding grants under this section to qualified applicants that have a record of training individuals who are from disadvantaged backgrounds (including racial and ethnic minorities underrepresented among primary care practice or general or pediatric dentistry).

''(3) SPECIAL CONSIDERATION.—In awarding grants under this section the Secretary shall give special consideration to projects which prepare practitioners to care for underserved populations and other high risk groups such as the elderly, individuals with HIV-AIDS, substance abusers, homeless, and victims of domestic violence.''; and

(F) in subsection (e) (as so redesignated by subparagraph (D))—

(i) in paragraph (1), by striking ''$54,000,000'' and all that follows and inserting ''$78,300,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002.''; and

(ii) by striking paragraph (2) and inserting the following:

''(2) ALLOCATION.—

''(A) IN GENERAL.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available—

''(i) not less than $49,300,000 for awards of grants and contracts under subsection (a) to programs of family medicine, of which not less than $8,600,000 shall be made available for awards of grants and contracts under subsection (b) for family medicine academic administrative units;

''(ii) not less than $17,700,000 for awards of grants and contracts under subsection (a) to programs of general internal medicine and general pediatrics;

''(iii) not less than $6,800,000 for awards of grants and contracts under subsection (a) to programs relating to physician assistants; and

''(iv) not less than $4,500,000 for awards of grants and contracts under subsection (a) to programs of general or pediatric dentistry.

''(B) RATABLE REDUCTION.—If amounts appropriated under paragraph (1) for any fiscal year are less than the amount required to comply with subparagraph (A), the Secretary shall ratably reduce the amount to be made available under each of clauses (i) through (iv) of such subparagraph accordingly.''; and

(4) by repealing sections 748 through 752 (42 U.S.C. 293l through 293p) and inserting the following:

''SEC. 748. ADVISORY COMMITTEE ON TRAINING IN PRIMARY CARE MEDICINE AND DENTISTRY.

''(a) ESTABLISHMENT.—The Secretary shall establish an advisory committee to be known as the Advisory Committee on Training in Primary Care Medicine and Dentistry (in this section referred to as the 'Advisory Committee').

''(b) COMPOSITION.—

''(1) IN GENERAL.—The Secretary shall determine the appropriate number of individuals to serve on the Advisory Committee. Such individuals shall not be officers or employees of the Federal Government.

''(2) APPOINTMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall appoint the members of the Advisory Committee from among individuals who are health professionals. In making such appointments, the Secretary shall ensure a fair balance between the health professions, that at least 75 percent of the members of the Advisory Committee are health professionals, a broad geographic representation of members and a balance between urban and rural members. Members shall be appointed based on their competence, interest, and knowledge of the mission of the profession involved.

''(3) MINORITY REPRESENTATION.—In appointing the members of the Advisory Committee under paragraph (2), the Secretary shall ensure the adequate representation of women and minorities.

''(c) TERMS.—

''(1) IN GENERAL.—A member of the Advisory Committee shall be appointed for a term of 3 years, except that of the members first appointed—

''(A) ⅓ of such members shall serve for a term of 1 year;

''(B) ⅓ of such members shall serve for a term of 2 years; and

''(C) ⅓ of such members shall serve for a term of 3 years.

''(2) VACANCIES.—

''(A) IN GENERAL.—A vacancy on the Advisory Committee shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

''(B) FILLING UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

''(d) DUTIES.—The Advisory Committee shall—

''(1) provide advice and recommendations to the Secretary concerning policy and program development and other matters of significance concerning the activities under section 747; and

''(2) not later than 3 years after the date of enactment of this section, and annually thereafter, prepare and submit to the Secretary, and the Committee on Labor and Human Resources of the Senate, and the Committee on Commerce of the House of Representatives, a report describing the activities of the Committee, including findings and recommendations made by the Committee concerning the activities under section 747.

''(e) MEETINGS AND DOCUMENTS.—

''(1) MEETINGS.—The Advisory Committee shall meet not less than 2 times each year. Such meetings shall be held jointly with other related entities established under this title where appropriate.

''(2) DOCUMENTS.—Not later than 14 days prior to the convening of a meeting under paragraph (1), the Advisory Committee shall prepare and make available an agenda of the matters to be considered by the Advisory Committee at such meeting. At any such meeting, the Advisory Council shall distribute materials with respect to the issues to be addressed at the meeting. Not later than 30 days after the adjourning of such a meeting, the Advisory Committee shall prepare and make available a summary of the meeting and any actions taken by the Committee based upon the meeting.

''(f) COMPENSATION AND EXPENSES.—

''(1) COMPENSATION.—Each member of the Advisory Committee shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Committee.

''(2) EXPENSES.—The members of the Advisory Committee shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Committee.

''(g) FACA.—The Federal Advisory Committee Act shall apply to the Advisory Committee under this section only to the extent that the provisions of such Act do not conflict with the requirements of this section.''.

SEC. 103. INTERDISCIPLINARY, COMMUNITY-BASED LINKAGES.

Part D of title VII of the Public Health Service Act (42 U.S.C. 294 et seq.) is amended to read as follows:

''PART D—INTERDISCIPLINARY, COMMUNITY-BASED LINKAGES

''SEC. 750. GENERAL PROVISIONS.

''(a) COLLABORATION.—To be eligible to receive assistance under this part, an academic institution shall use such assistance in collaboration with 2 or more disciplines.

''(b) ACTIVITIES.—An entity shall use assistance under this part to carry out innovative demonstration projects for strategic workforce supplementation activities as needed to meet national goals for interdisciplinary, community-based linkages. Such assistance may be used consistent with this part—

''(1) to develop and support training programs;

''(2) for faculty development;

''(3) for model demonstration programs;

''(4) for the provision of stipends for fellowship trainees;

''(5) to provide technical assistance; and

''(6) for other activities that will produce outcomes consistent with the purposes of this part.

''SEC. 751. AREA HEALTH EDUCATION CENTERS.

''(a) AUTHORITY FOR PROVISION OF FINANCIAL ASSISTANCE.—

''(1) ASSISTANCE FOR PLANNING, DEVELOPMENT, AND OPERATION OF PROGRAMS.—

''(A) IN GENERAL.—The Secretary shall award grants to and enter into contracts with schools of medicine and osteopathic medicine, and incorporated consortia made up of such schools, or the parent institutions of such schools, for projects for the planning, development and operation of area health education center programs that—

''(i) improve the recruitment, distribution, supply, quality and efficiency of personnel providing health services in underserved rural and urban areas and personnel providing health services to populations having demonstrated serious unmet health care needs;

''(ii) increase the number of primary care physicians and other primary care providers who provide services in underserved areas through the offering of an educational continuum of health career recruitment through clinical education concerning underserved areas in a comprehensive health workforce strategy;

''(iii) carry out recruitment and health career awareness programs to recruit individuals from underserved areas and under-represented populations, including minority and other elementary or secondary students, into the health professions;

''(iv) prepare individuals to more effectively provide health services to underserved areas or underserved populations through field placements, preceptorships, the conduct of or support of community-based primary care residency programs, and agreements with community-based organizations such as community health centers, migrant health centers, Indian health centers, public health departments and others;

''(v) conduct health professions education and training activities for students of health professions schools and medical residents;

''(vi) conduct at least 10 percent of medical student required clinical education at sites remote to the primary teaching facility of the contracting institution; and

''(vii) provide information dissemination and educational support to reduce professional isolation, increase retention, enhance the practice environment, and improve health care through the timely dissemination of research findings using relevant resources.

''(B) OTHER ELIGIBLE ENTITIES.—With respect to a State in which no area health education center program is in operation, the Secretary may award a grant or contract under subparagraph (A) to a school of nursing.

''(C) PROJECT TERMS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the period during which payments may be made under an award under subparagraph (A) may not exceed—

''(I) in the case of a project, 12 years or

''(II) in the case of a center within a project, 6 years.

''(ii) EXCEPTION.—The periods described in clause (i) shall not apply to projects that have completed the initial period of Federal funding under this section and that desire to compete for model awards under paragraph (2)(A).

''(2) ASSISTANCE FOR OPERATION OF MODEL PROGRAMS.—

''(A) IN GENERAL.—In the case of any entity described in paragraph (1)(A) that—

''(i) has previously received funds under this section;

''(ii) is operating an area health education center program; and

''(iii) is no longer receiving financial assistance under paragraph (1);

the Secretary may provide financial assistance to such entity to pay the costs of operating and carrying out the requirements of the program as described in paragraph (1).

''(B) MATCHING REQUIREMENT.—With respect to the costs of operating a model program under subparagraph (A), an entity, to be eligible for financial assistance under subparagraph (A), shall make available (directly or through contributions from State, county or municipal governments, or the private sector) recurring non-Federal contributions in cash toward such costs in an amount that is equal to not less than 50 percent of such costs.

''(C) LIMITATION.—The aggregate amount of awards provided under subparagraph (A) to entities in a State for a fiscal year may not exceed the lesser of—

''(i) $2,000,000; or

''(ii) an amount equal to the product of $250,000 and the aggregate number of area health education centers operated in the State by such entities.

''(b) REQUIREMENTS FOR CENTERS.—

''(1) GENERAL REQUIREMENT.—Each area health education center that receives funds under this section shall encourage the regionalization of health professions schools through the establishment of partnerships with community-based organizations.

''(2) SERVICE AREA.—Each area health education center that receives funds under this section shall specifically designate a geographic area or medically underserved population to be served by the center. Such area or population shall be in a location removed from the main location of the teaching facilities of the schools participating in the program with such center.

''(3) OTHER REQUIREMENTS.—Each area health education center that receives funds under this section shall—

''(A) assess the health personnel needs of the area to be served by the center and assist in the planning and development of training programs to meet such needs;

''(B) arrange and support rotations for students and residents in family medicine, general internal medicine or general pediatrics, with at least one center in each program being affiliated with or conducting a rotating osteopathic internship or medical residency training program in family medicine (including geriatrics), general internal medicine (including geriatrics), or general pediatrics in which no fewer than 4 individuals are enrolled in first-year positions;

''(C) conduct and participate in interdisciplinary training that involves physicians and other health personnel including, where practicable, public health professionals, physician assistants, nurse practitioners, nurse midwives, and behavioral and mental health providers; and

''(D) have an advisory board, at least 75 percent of the members of which shall be individuals, including both health service providers and consumers, from the area served by the center.

''(c) CERTAIN PROVISIONS REGARDING FUNDING.—

''(1) ALLOCATION TO CENTER.—Not less than 75 percent of the total amount of Federal funds provided to an entity under this section shall be allocated by an area health education center program to the area health education center. Such entity shall enter into an agreement with each center for purposes of specifying the allocation of such 75 percent of funds.

''(2) OPERATING COSTS.—With respect to the operating costs of the area health education center program of an entity receiving funds under this section, the entity shall make available (directly or through contributions from State, county or municipal governments, or the private sector) non-Federal contributions in cash toward such costs in an amount that is equal to not less than 50 percent of such costs, except that the Secretary may grant a waiver for up to 75 percent of the amount of the required non-Federal match in the first 3 years in which an entity receives funds under this section.

''SEC. 752. HEALTH EDUCATION AND TRAINING CENTERS.

''(a) IN GENERAL.—To be eligible for funds under this section, a health education training center shall be an entity otherwise eligible for funds under section 751 that—

''(1) addresses the persistent and severe unmet health care needs in States along the border between the United States and Mexico and in the State of Florida, and in other urban and rural areas with populations with serious unmet health care needs;

''(2) establishes an advisory board comprised of health service providers, educators and consumers from the service area;

''(3) conducts training and education programs for health professions students in these areas;

''(4) conducts training in health education services, including training to prepare community health workers; and

''(5) supports health professionals (including nursing) practicing in the area through educational and other services.

''(b) ALLOCATION OF FUNDS.—The Secretary shall make available 50 percent of the

amounts appropriated for each fiscal year under section 752 for the establishment or operation of health education training centers through projects in States along the border between the United States and Mexico and in the State of Florida.

"SEC. 753. EDUCATION AND TRAINING RELATING TO GERIATRICS.

''(a) GERIATRIC EDUCATION CENTERS.—

''(1) IN GENERAL.—The Secretary shall award grants or contracts under this section to entities described in paragraphs (1), (3), or (4) of section 799B, and section 853(2), for the establishment or operation of geriatric education centers.

''(2) REQUIREMENTS.—A geriatric education center is a program that—

''(A) improves the training of health professionals in geriatrics, including geriatric residencies, traineeships, or fellowships;

''(B) develops and disseminates curricula relating to the treatment of the health problems of elderly individuals;

''(C) supports the training and retraining of faculty to provide instruction in geriatrics;

''(D) supports continuing education of health professionals who provide geriatric care; and

''(E) provides students with clinical training in geriatrics in nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers.

''(b) GERIATRIC TRAINING REGARDING PHYSICIANS AND DENTISTS.—

''(1) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, schools of medicine, schools of osteopathic medicine, teaching hospitals, and graduate medical education programs, for the purpose of providing support (including residencies, traineeships, and fellowships) for geriatric training projects to train physicians, dentists and behavioral and mental health professionals who plan to teach geriatric medicine, geriatric behavioral or mental health, or geriatric dentistry.

''(2) REQUIREMENTS.—Each project for which a grant or contract is made under this subsection shall—

''(A) be staffed by full-time teaching physicians who have experience or training in geriatric medicine or geriatric behavioral or mental health;

''(B) be staffed, or enter into an agreement with an institution staffed by full-time or part-time teaching dentists who have experience or training in geriatric dentistry;

''(C) be staffed, or enter into an agreement with an institution staffed by full-time or part-time teaching behavioral mental health professionals who have experience or training in geriatric behavioral or mental health;

''(D) be based in a graduate medical education program in internal medicine or family medicine or in a department of geriatrics or behavioral or mental health;

''(E) provide training in geriatrics and exposure to the physical and mental disabilities of elderly individuals through a variety of service rotations, such as geriatric consultation services, acute care services, dental services, geriatric behavioral or mental health units, day and home care programs, rehabilitation services, extended care facilities, geriatric ambulatory care and comprehensive evaluation units, and community care programs for elderly mentally retarded individuals; and

''(F) provide training in geriatrics through one or both of the training options described in subparagraphs (A) and (B) of paragraph (3).

''(3) TRAINING OPTIONS.—The training options referred to in subparagraph (F) of paragraph (2) shall be as follows:

''(A) A 1-year retraining program in geriatrics for—

''(i) physicians who are faculty members in departments of internal medicine, family medicine, gynecology, geriatrics, and behavioral or mental health at schools of medicine and osteopathic medicine;

''(ii) dentists who are faculty members at schools of dentistry or at hospital departments of dentistry; and

''(iii) behavioral or mental health professionals who are faculty members in departments of behavioral or mental health; and

''(B) A 2-year internal medicine or family medicine fellowship program providing emphasis in geriatrics, which shall be designed to provide training in clinical geriatrics and geriatrics research for—

''(i) physicians who have completed graduate medical education programs in internal medicine, family medicine, behavioral or mental health, neurology, gynecology, or rehabilitation medicine;

''(ii) dentists who have demonstrated a commitment to an academic career and who have completed postdoctoral dental training, including postdoctoral dental education programs or who have relevant advanced training or experience; and

''(iii) behavioral or mental health professionals who have completed graduate medical education programs in behavioral or mental health.

''(4) DEFINITIONS.—For purposes of this subsection:

''(A) The term 'graduate medical education program' means a program sponsored by a school of medicine, a school of osteopathic medicine, a hospital, or a public or private institution that—

''(i) offers postgraduate medical training in the specialties and subspecialties of medicine; and

''(ii) has been accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association through its Committee on Postdoctoral Training.

''(B) The term 'post-doctoral dental education program' means a program sponsored by a school of dentistry, a hospital, or a public or private institution that—

''(i) offers post-doctoral training in the specialties of dentistry, advanced education in general dentistry, or a dental general practice residency; and

''(ii) has been accredited by the Commission on Dental Accreditation.

''(c) GERIATRIC FACULTY FELLOWSHIPS.—

''(1) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to provide Geriatric Academic Career Awards to eligible individuals to promote the career development of such individuals as academic geriatricians.

''(2) ELIGIBLE INDIVIDUALS.—To be eligible to receive an Award under paragraph (1), an individual shall—

''(A) be board certified or board eligible in internal medicine, family practice, or psychiatry;

''(B) have completed an approved fellowship program in geriatrics; and

''(C) have a junior faculty appointment at an accredited (as determined by the Secretary) school of medicine or osteopathic medicine.

''(3) LIMITATIONS.—No Award under paragraph (1) may be made to an eligible individual unless the individual—

''(A) has submitted to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, and the Secretary has approved such application; and

''(B) provides, in such form and manner as the Secretary may require, assurances that the individual will meet the service requirement described in subsection (e).

''(4) AMOUNT AND TERM.—

''(A) AMOUNT.—The amount of an Award under this section shall equal $50,000 for fiscal year 1998, adjusted for subsequent fiscal years to reflect the increase in the Consumer Price Index.

''(B) TERM.—The term of any Award made under this subsection shall not exceed 5 years.

''(5) SERVICE REQUIREMENT.—An individual who receives an Award under this subsection shall provide training in clinical geriatrics, including the training of interdisciplinary teams of health care professionals. The provision of such training shall constitute at least 75 percent of the obligations of such individual under the Award.

"SEC. 754. QUENTIN N. BURDICK PROGRAM FOR RURAL INTERDISCIPLINARY TRAINING.

''(a) GRANTS.—The Secretary may make grants or contracts under this section to help entities fund authorized activities under an application approved under subsection (c).

''(b) USE OF AMOUNTS.—

''(1) IN GENERAL.—Amounts provided under subsection (a) shall be used by the recipients to fund interdisciplinary training projects designed to—

''(A) use new and innovative methods to train health care practitioners to provide services in rural areas;

''(B) demonstrate and evaluate innovative interdisciplinary methods and models designed to provide access to cost-effective comprehensive health care;

''(C) deliver health care services to individuals residing in rural areas;

''(D) enhance the amount of relevant research conducted concerning health care issues in rural areas; and

''(E) increase the recruitment and retention of health care practitioners from rural areas and make rural practice a more attractive career choice for health care practitioners.

''(2) METHODS.—A recipient of funds under subsection (a) may use various methods in carrying out the projects described in paragraph (1), including—

''(A) the distribution of stipends to students of eligible applicants;

''(B) the establishment of a post-doctoral fellowship program;

''(C) the training of faculty in the economic and logistical problems confronting rural health care delivery systems; or

''(D) the purchase or rental of transportation and telecommunication equipment where the need for such equipment due to unique characteristics of the rural area is demonstrated by the recipient.

''(3) ADMINISTRATION.—

''(A) IN GENERAL.—An applicant shall not use more than 10 percent of the funds made available to such applicant under subsection (a) for administrative expenses.

''(B) TRAINING.—Not more than 10 percent of the individuals receiving training with funds made available to an applicant under subsection (a) shall be trained as doctors of medicine or doctors of osteopathy.

''(C) LIMITATION.—An institution that receives a grant under this section shall use amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (b)(1) in the fiscal year preceding the year for which the grant is received.

''(c) APPLICATIONS.—Applications submitted for assistance under this section shall—

''(1) be jointly submitted by at least two eligible applicants with the express purpose of assisting individuals in academic institutions in establishing long-term collaborative relationships with health care providers in rural areas; and

''(2) designate a rural health care agency or agencies for clinical treatment or training, including hospitals, community health centers, migrant health centers, rural health clinics, community behavioral and mental health centers, long-term care facilities, Native Hawaiian health centers, or facilities operated by the Indian Health Service or an Indian tribe or tribal organization or Indian organization under a contract with the Indian Health Service under the Indian Self-Determination Act.

''(d) DEFINITIONS.—For the purposes of this section, the term 'rural' means geographic areas that are located outside of standard metropolitan statistical areas.

''SEC. 755. ALLIED HEALTH AND OTHER DISCIPLINES.

''(a) IN GENERAL.—The Secretary may make grants or contracts under this section to help entities fund activities of the type described in subsection (b).

''(b) ACTIVITIES.—Activities of the type described in this subsection include the following:

''(1) Assisting entities in meeting the costs associated with expanding or establishing programs that will increase the number of individuals trained in allied health professions. Programs and activities funded under this paragraph may include—

''(A) those that expand enrollments in allied health professions with the greatest shortages or whose services are most needed by the elderly;

''(B) those that provide rapid transition training programs in allied health fields to individuals who have baccalaureate degrees in health-related sciences;

''(C) those that establish community-based allied health training programs that link academic centers to rural clinical settings;

''(D) those that provide career advancement training for practicing allied health professionals;

''(E) those that expand or establish clinical training sites for allied health professionals in medically underserved or rural communities in order to increase the number of individuals trained;

''(F) those that develop curriculum that will emphasize knowledge and practice in the areas of prevention and health promotion, geriatrics, long-term care, home health and hospice care, and ethics;

''(G) those that expand or establish interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly;

''(H) those that expand or establish demonstration centers to emphasize innovative models to link allied health clinical practice, education, and research;

''(I) those that provide financial assistance (in the form of traineeships) to students who are participants in any such program; and

''(i) who plan to pursue a career in an allied health field that has a demonstrated personnel shortage; and

''(ii) who agree upon completion of the training program to practice in a medically underserved community;

that shall be utilized to assist in the payment of all or part of the costs associated with tuition, fees and such other stipends as the Secretary may consider necessary; and

''(J) those to meet the costs of projects to plan, develop, and operate or maintain graduate programs in behavioral and mental health practice.

''(2) Planning and implementing projects in preventive and primary care training for podiatric physicians in approved or provisionally approved residency programs that shall provide financial assistance in the form of traineeships to residents who participate in such projects and who plan to specialize in primary care.

''(3) Carrying out demonstration projects in which chiropractors and physicians collaborate to identify and provide effective treatment for spinal and lower-back conditions.

''SEC. 756. ADVISORY COMMITTEE ON INTERDISCIPLINARY, COMMUNITY-BASED LINKAGES.

''(a) ESTABLISHMENT.—The Secretary shall establish an advisory committee to be known as the Advisory Committee on Interdisciplinary, Community-Based Linkages (in this section referred to as the 'Advisory Committee').

''(b) COMPOSITION.—

''(1) IN GENERAL.—The Secretary shall determine the appropriate number of individuals to serve on the Advisory Committee. Such individuals shall not be officers or employees of the Federal Government.

''(2) APPOINTMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall appoint the members of the Advisory Committee from among individuals who are health professionals from schools of the types described in sections 751(a)(1)(A), 751(a)(1)(B), 753(b), 754(3)(A), and 755(b). In making such appointments, the Secretary shall ensure a fair balance between the health professions, that at least 75 percent of the members of the Advisory Committee are health professionals, a broad geographic representation of members and a balance between urban and rural members. Members shall be appointed based on their competence, interest, and knowledge of the mission of the profession involved.

''(3) MINORITY REPRESENTATION.—In appointing the members of the Advisory Committee under paragraph (2), the Secretary shall ensure the adequate representation of women and minorities.

''(c) TERMS.—

''(1) IN GENERAL.—A member of the Advisory Committee shall be appointed for a term of 3 years, except that of the members first appointed—

''(A) ⅓ of the members shall serve for a term of 1 year;

''(B) ⅓ of the members shall serve for a term of 2 years; and

''(C) ⅓ of the members shall serve for a term of 3 years.

''(2) VACANCIES.—

''(A) IN GENERAL.—A vacancy on the Advisory Committee shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

''(B) FILLING UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

''(d) DUTIES.—The Advisory Committee shall—

''(1) provide advice and recommendations to the Secretary concerning policy and program development and other matters of significance concerning the activities under this part; and

''(2) not later than 3 years after the date of enactment of this section, and annually thereafter, prepare and submit to the Secretary, and the Committee on Labor and Human Resources of the Senate, and the Committee on Commerce of the House of Representatives, a report describing the activities of the Committee, including findings and recommendations made by the Committee concerning the activities under this part.

''(e) MEETINGS AND DOCUMENTS.—

''(1) MEETINGS.—The Advisory Committee shall meet not less than 3 times each year. Such meetings shall be held jointly with other related entities established under this title where appropriate.

''(2) DOCUMENTS.—Not later than 14 days prior to the convening of a meeting under paragraph (1), the Advisory Committee shall prepare and make available an agenda of the matters to be considered by the Advisory Committee at such meeting. At any such meeting, the Advisory Council shall distribute materials with respect to the issues to be addressed at the meeting. Not later than 30 days after the adjourning of such a meeting, the Advisory Committee shall prepare and make available a summary of the meeting and any actions taken by the Committee based upon the meeting.

''(f) COMPENSATION AND EXPENSES.—

''(1) COMPENSATION.—Each member of the Advisory Committee shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Committee.

''(2) EXPENSES.—The members of the Advisory Committee shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Committee.

''(g) FACA.—The Federal Advisory Committee Act shall apply to the Advisory Committee under this section only to the extent that the provisions of such Act do not conflict with the requirements of this section.

''SEC. 757. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this part, $55,600,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002.

''(b) ALLOCATION.—

''(1) IN GENERAL.—Of the amounts appropriated under subsection (a) for a fiscal year, the Secretary shall make available—

''(A) not less than $28,587,000 for awards of grants and contracts under section 751;

''(B) not less than $3,765,000 for awards of grants and contracts under section 752, of which not less than 50 percent of such amount shall be made available for centers described in subsection (a)(1) of such section; and

''(C) not less than $22,631,000 for awards of grants and contracts under sections 753, 754, and 755.

''(2) RATABLE REDUCTION.—If amounts appropriated under subsection (a) for any fiscal year are less than the amount required to comply with paragraph (1), the Secretary shall ratably reduce the amount to be made available under each of subparagraphs (A) through (C) of such paragraph accordingly.

''(3) INCREASE IN AMOUNTS.—If amounts appropriated for a fiscal year under subsection (a) exceed the amount authorized under such subsection for such fiscal year, the Secretary may increase the amount to be made available for programs and activities under this part without regard to the amounts specified in each of subparagraphs (A) through (C) of paragraph (2).

''(c) OBLIGATION OF CERTAIN AMOUNTS.—

''(1) AREA HEALTH EDUCATION CENTER PROGRAMS.—Of the amounts made available under subsection (b)(1)(A) for each fiscal year, the Secretary may obligate for awards under section 751(a)(2)—

''(A) not less than 23 percent of such amounts in fiscal year 1998;

''(B) not less than 30 percent of such amounts in fiscal year 1999;

''(C) not less than 35 percent of such amounts in fiscal year 2000;

''(D) not less than 40 percent of such amounts in fiscal year 2001; and

''(E) not less than 45 percent of such amounts in fiscal year 2002.

''(2) SENSE OF CONGRESS.—It is the sense of the Congress that—

''(A) every State have an area health education center program in effect under this section; and

''(B) the ratio of Federal funding for the model program under section 751(a)(2) should increase over time and that Federal funding for other awards under this section shall decrease so that the national program will become entirely comprised of programs that are funded at least 50 percent by State and local partners.''.

SEC. 104. HEALTH PROFESSIONS WORKFORCE INFORMATION AND ANALYSIS.

(a) IN GENERAL.—Part E of title VII of the Public Health Service Act (42 U.S.C. 294n et seq.) is amended to read as follows:

''PART E—HEALTH PROFESSIONS AND PUBLIC HEALTH WORKFORCE

''Subpart 1—Health Professions Workforce Information and Analysis

''SEC. 761. HEALTH PROFESSIONS WORKFORCE INFORMATION AND ANALYSIS.

''(a) PURPOSE.—It is the purpose of this section to—

''(1) provide for the development of information describing the health professions workforce and the analysis of workforce related issues; and

''(2) provide necessary information for decision-making regarding future directions in health professions and nursing programs in response to societal and professional needs.

''(b) GRANTS OR CONTRACTS.—The Secretary may award grants or contracts to State or local governments, health professions schools, schools of nursing, academic health centers, community-based health facilities, and other appropriate public or private nonprofit entities to provide for—

''(1) targeted information collection and analysis activities related to the purposes described in subsection (a);

''(2) research on high priority workforce questions;

''(3) the development of a non-Federal analytic and research infrastructure related to the purposes described in subsection (a); and

''(4) the conduct of program evaluation and assessment.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section, $750,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002.

''(2) RESERVATION.—Of the amounts appropriated under subsection (a) for a fiscal year, the Secretary shall reserve not less than $600,000 for conducting health professions research and for carrying out data collection and analysis in accordance with section 792.

''(3) AVAILABILITY OF ADDITIONAL FUNDS.—Amounts otherwise appropriated for programs or activities under this title may be used for activities under subsection (b) with respect to the programs or activities from which such amounts were made available.''.

(b) COUNCIL ON GRADUATE MEDICAL EDUCATION.—Section 301 of the Health Professions Education Extension Amendments of 1992 (Public Law 102–408) is amended—

(1) in subsection (j), by striking ''1995'' and inserting ''2002'';

(2) in subsection (k), by striking ''1995'' and inserting ''2002'';

(3) by adding at the end thereof the following new subsection:

''(l) FUNDING.—Amounts otherwise appropriated under this title may be utilized by the Secretary to support the activities of the Council.'';

(4) by transferring such section to part E of title VII of the Public Health Service Act (as amended by subsection (a));

(5) by redesignating such section as section 762; and

(6) by inserting such section after section 761.

SEC. 105. PUBLIC HEALTH WORKFORCE DEVELOPMENT.

Part E of title VII of the Public Health Service Act (as amended by section 104) is further amended by adding at the end the following:

''Subpart 2—Public Health Workforce

''SEC. 765. GENERAL PROVISIONS.

''(a) IN GENERAL.—The Secretary may award grants or contracts to eligible entities to increase the number of individuals in the public health workforce, to enhance the quality of such workforce, and to enhance the ability of the workforce to meet national, State, and local health care needs.

''(b) ELIGIBILITY.—To be eligible to receive a grant or contract under subsection (a) an entity shall—

''(1) be—

''(A) a health professions school, including an accredited school or program of public health, health administration, preventive medicine, or dental public health or a school providing health management programs;

''(B) an academic health center;

''(C) a State or local government; or

''(D) any other appropriate public or private nonprofit entity; and

''(2) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

''(c) PREFERENCE.—In awarding grants or contracts under this section the Secretary may grant a preference to entities—

''(1) serving individuals who are from disadvantaged backgrounds (including underrepresented racial and ethnic minorities); and

''(2) graduating large proportions of individuals who serve in underserved communities.

''(d) ACTIVITIES.—Amounts provided under a grant or contract awarded under this section may be used for—

''(1) the costs of planning, developing, or operating demonstration training programs;

''(2) faculty development;

''(3) trainee support;

''(4) technical assistance;

''(5) to meet the costs of projects—

''(A) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine and dental public health, that have available full-time faculty members with training and experience in the fields of preventive medicine and dental public health; and

''(B) to provide financial assistance to residency trainees enrolled in such programs;

''(6) the retraining of existing public health workers as well as for increasing the supply of new practitioners to address priority public health, preventive medicine, public health dentistry, and health administration needs;

''(7) preparing public health professionals for employment at the State and community levels; or

''(8) other activities that may produce outcomes that are consistent with the purposes of this section

''(e) TRAINEESHIPS.—

''(1) IN GENERAL.—With respect to amounts used under this section for the training of health professionals, such training programs shall be designed to—

''(A) make public health education more accessible to the public and private health workforce;

''(B) increase the relevance of public health academic preparation to public health practice in the future;

''(C) provide education or training for students from traditional on-campus programs in practice-based sites; or

''(D) develop educational methods and distance-based approaches or technology that address adult learning requirements and increase knowledge and skills related to community-based cultural diversity in public health education.

''(2) SEVERE SHORTAGE DISCIPLINES.—Amounts provided under grants or contracts under this section may be used for the operation of programs designed to award traineeships to students in accredited schools of public health who enter educational programs in fields where there is a severe shortage of public health professionals, including epidemiology, biostatistics, environmental health, toxicology, public health nursing, nutrition, preventive medicine, maternal and child health, and behavioral and mental health professions.

''SEC. 766. PUBLIC HEALTH TRAINING CENTERS.

''(a) IN GENERAL.—The Secretary may make grants or contracts for the operation of public health training centers.

''(b) ELIGIBLE ENTITIES.—

''(1) IN GENERAL.—A public health training center shall be an accredited school of public health, or another public or nonprofit private institution accredited for the provision of graduate or specialized training in public health, that plans, develops, operates, and evaluates projects that are in furtherance of the goals established by the Secretary for the year 2000 in the areas of preventive medicine, health promotion and disease prevention, or improving access to and quality of health services in medically underserved communities.

''(2) PREFERENCE.—In awarding grants or contracts under this section the Secretary shall give preference to accredited schools of public health.

''(c) CERTAIN REQUIREMENTS.—With respect to a public health training center, an award may not be made under subsection (a) unless the program agrees that it—

''(1) will establish or strengthen field placements for students in public or nonprofit private health agencies or organizations;

''(2) will involve faculty members and students in collaborative projects to enhance public health services to medically underserved communities;

''(3) will specifically designate a geographic area or medically underserved population to be served by the center that shall be in a location removed from the main location of the teaching facility of the school that is participating in the program with such center; and

''(4) will assess the health personnel needs of the area to be served by the center and assist in the planning and development of training programs to meet such needs.

''SEC. 767. PUBLIC HEALTH TRAINEESHIPS.

''(a) IN GENERAL.—The Secretary may make grants to accredited schools of public health, and to other public or nonprofit private institutions accredited for the provision of graduate or specialized training in public health, for the purpose of assisting such schools and institutions in providing traineeships to individuals described in subsection (b)(3).

''(b) CERTAIN REQUIREMENTS.—

''(1) AMOUNT.—The amount of any grant under this section shall be determined by the Secretary.

''(2) USE OF GRANT.—Traineeships awarded under grants made under subsection (a) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

''(3) ELIGIBLE INDIVIDUALS.—The individuals referred to in subsection (a) are individuals who are pursuing a course of study in a health professions field in which there is a severe shortage of health professionals (which fields include the fields of epidemiology, environmental health, biostatistics, toxicology, nutrition, and maternal and child health).

''SEC. 768. PREVENTIVE MEDICINE; DENTAL PUBLIC HEALTH.

''(a) IN GENERAL.—The Secretary may make grants to and enter into contracts with schools of medicine, osteopathic medicine, public health, and dentistry to meet the costs of projects—

''(1) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine and dental public health; and

''(2) to provide financial assistance to residency trainees enrolled in such programs.

''(b) ADMINISTRATION.—

''(1) AMOUNT.—The amount of any grant under subsection (a) shall be determined by the Secretary.

''(2) ELIGIBILITY.—To be eligible for a grant under subsection (a), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the fields of preventive medicine or dental public health and support from other faculty members trained in public health and other relevant specialties and disciplines.

''(3) OTHER FUNDS.—Schools of medicine, osteopathic medicine, dentistry, and public health may use funds committed by State, local, or county public health officers as matching amounts for Federal grant funds for residency training programs in preventive medicine.

''SEC. 769. HEALTH ADMINISTRATION TRAINEESHIPS AND SPECIAL PROJECTS.

''(a) IN GENERAL.—The Secretary may make grants to State or local governments (that have in effect preventive medical and dental public health residency programs) or public or nonprofit private educational entities (including graduate schools of social work and business schools that have health management programs) that offer a program described in subsection (b)—

''(1) to provide traineeships for students enrolled in such a program; and

''(2) to assist accredited programs health administration in the development or improvement of programs to prepare students for employment with public or nonprofit private entities.

''(b) RELEVANT PROGRAMS.—The program referred to in subsection (a) is an accredited program in health administration, hospital administration, or health policy analysis and planning, which program is accredited by a body or bodies approved for such purpose by the Secretary of Education and which meets such other quality standards as the Secretary of Health and Human Services by regulation may prescribe.

''(c) PREFERENCE IN MAKING GRANTS.—In making grants under subsection (a), the Secretary shall give preference to qualified applicants that meet the following conditions:

''(1) Not less than 25 percent of the graduates of the applicant are engaged in full-time practice settings in medically underserved communities.

''(2) The applicant recruits and admits students from medically underserved communities.

''(3) For the purpose of training students, the applicant has established relationships with public and nonprofit providers of health care in the community involved.

''(4) In training students, the applicant emphasizes employment with public or nonprofit private entities.

''(d) CERTAIN PROVISIONS REGARDING TRAINEESHIPS.—

''(1) USE OF GRANT.—Traineeships awarded under grants made under subsection (a) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

''(2) PREFERENCE FOR CERTAIN STUDENTS.—Each entity applying for a grant under subsection (a) for traineeships shall assure to the satisfaction of the Secretary that the entity will give priority to awarding the traineeships to students who demonstrate a commitment to employment with public or nonprofit private entities in the fields with respect to which the traineeships are awarded.

''SEC. 770. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—For the purpose of carrying out this subpart, there is authorized to be appropriated $9,100,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002.

''(b) LIMITATION REGARDING CERTAIN PROGRAM.—In obligating amounts appropriated under subsection (a), the Secretary may not obligate more than 30 percent for carrying out section 767.''.

SEC. 106. GENERAL PROVISIONS.

(a) IN GENERAL.—

(1) Part F of title VII of the Public Health Service Act (42 U.S.C. 295 et seq.) is repealed.

(2) Part G of title VII of the Public Health Service Act (42 U.S.C. 295j et seq.) is amended—

(A) by redesignating such part as part F;

(B) in section 791 (42 U.S.C. 295j)—

(i) by striking subsection (b); and

(ii) redesignating subsection (c) as subsection (b);

(C) by repealing section 793 (42 U.S.C. 295l);

(D) by repealing section 798;

(E) by redesignating section 799 as section 799B; and

(F) by inserting after section 794, the following new sections:

''SEC. 796. APPLICATION.

''(a) IN GENERAL.—To be eligible to receive a grant or contract under this title, an eligible entity shall prepare and submit to the Secretary an application that meets the requirements of this section, at such time, in such manner, and containing such information as the Secretary may require.

''(b) PLAN.—An application submitted under this section shall contain the plan of the applicant for carrying out a project with amounts received under this title. Such plan shall be consistent with relevant Federal, State, or regional health professions program plans.

''(c) PERFORMANCE OUTCOME STANDARDS.—An application submitted under this section shall contain a specification by the applicant entity of performance outcome standards that the project to be funded under the grant or contract will be measured against. Such standards shall address relevant health workforce needs that the project will meet. The recipient of a grant or contract under this section shall meet the standards set forth in the grant or contract application.

''(d) LINKAGES.—An application submitted under this section shall contain a description of the linkages with relevant educational and health care entities, including training programs for other health professionals as appropriate, that the project to be funded under the grant or contract will establish. To the extent practicable, grantees under this section shall establish linkages with health care providers who provide care for underserved communities and populations.

''SEC. 797. USE OF FUNDS.

''(a) IN GENERAL.—Amounts provided under a grant or contract awarded under this title may be used for training program development and support, faculty development, model demonstrations, trainee support including tuition, books, program fees and reasonable living expenses during the period of training, technical assistance, workforce analysis, dissemination of information, and exploring new policy directions, as appropriate to meet recognized health workforce objectives, in accordance with this title.

''(b) MAINTENANCE OF EFFORT.—With respect to activities for which a grant awarded under this title is to be expended, the entity shall agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for the fiscal year preceding the fiscal year for which the entity receives such a grant.

''SEC. 798. MATCHING REQUIREMENT.

''The Secretary may require that an entity that applies for a grant or contract under this title provide non-Federal matching funds, as appropriate, to ensure the institutional commitment of the entity to the projects funded under the grant. As determined by the Secretary, such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in-kind, fairly evaluated, including plant, equipment, or services.

''SEC. 799. GENERALLY APPLICABLE PROVISIONS.

''(a) AWARDING OF GRANTS AND CONTRACTS.—The Secretary shall ensure that grants and contracts under this title are awarded on a competitive basis, as appropriate, to carry out innovative demonstration projects or provide for strategic workforce supplementation activities as needed to meet health workforce goals and in accordance with this title. Contracts may be entered into under this title with public or private entities as may be necessary.

''(b) ELIGIBLE ENTITIES.—Unless specifically required otherwise in this title, the Secretary shall accept applications for grants or contracts under this title from health professions schools, academic health centers, State or local governments, or other appropriate public or private nonprofit entities for funding and participation in health professions and nursing training activities. The Secretary may accept applications from for-profit private entities if determined appropriate by the Secretary.

''(c) INFORMATION REQUIREMENTS.—

''(1) IN GENERAL.—Recipients of grants and contracts under this title shall meet information requirements as specified by the Secretary.

''(2) DATA COLLECTION.—The Secretary shall establish procedures to ensure that, with respect to any data collection required under this title, such data is collected in a manner that takes into account age, sex, race, and ethnicity.

''(3) USE OF FUNDS.—The Secretary shall establish procedures to permit the use of amounts appropriated under this title to be used for data collection purposes.

''(4) EVALUATIONS.—The Secretary shall establish procedures to ensure the annual evaluation of programs and projects operated by recipients of grants or contracts under this title. Such procedures shall ensure that continued funding for such programs and

projects will be conditioned upon a demonstration that satisfactory progress has been made by the program or project in meeting the objectives of the program or project.

''(d) TRAINING PROGRAMS.—Training programs conducted with amounts received under this title shall meet applicable accreditation and quality standards.

''(e) DURATION OF ASSISTANCE.—

''(1) IN GENERAL.—Subject to paragraph (2), in the case of an award to an entity of a grant, cooperative agreement, or contract under this title, the period during which payments are made to the entity under the award may not exceed 5 years. The provision of payments under the award shall be subject to annual approval by the Secretary of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. This paragraph may not be construed as limiting the number of awards under the program involved that may be made to the entity.

''(2) LIMITATION.—In the case of an award to an entity of a grant, cooperative agreement, or contract under this title, paragraph (1) shall apply only to the extent not inconsistent with any other provision of this title that relates to the period during which payments may be made under the award.

''(f) PEER REVIEW REGARDING CERTAIN PROGRAMS.—

''(1) IN GENERAL.—Each application for a grant under this title, except any scholarship or loan program, including those under sections 701, 721, or 723, shall be submitted to a peer review group for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval.

''(2) COMPOSITION.—Each peer review group under this subsection shall be composed principally of individuals who are not officers or employees of the Federal Government. In providing for the establishment of peer review groups and procedures, the Secretary shall ensure sex, racial, ethnic, and geographic balance among the membership of such groups.

''(3) ADMINISTRATION.—This subsection shall be carried out by the Secretary acting through the Administrator of the Health Resources and Services Administration.

''(g) PREFERENCE OR PRIORITY CONSIDERATIONS.—In considering a preference or priority for funding which is based on outcome measures for an eligible entity under this title, the Secretary may also consider the future ability of the eligible entity to meet the outcome preference or priority through improvements in the eligible entity's program design.

''(h) ANALYTIC ACTIVITIES.—The Secretary shall ensure that—

''(1) cross-cutting workforce analytical activities are carried out as part of the workforce information and analysis activities under section 761; and

''(2) discipline-specific workforce information and analytical activities are carried out as part of—

''(A) the community-based linkage program under part D; and

''(B) the health workforce development program under subpart 2 of part E.

''(i) OSTEOPATHIC SCHOOLS.—For purposes of this title, any reference to—

''(1) medical schools shall include osteopathic medical schools; and

''(2) medical students shall include osteopathic medical students.

''SEC. 799A. TECHNICAL ASSISTANCE.

''Funds appropriated under this title may be used by the Secretary to provide technical assistance in relation to any of the authorities under this title.''.

(b) PROFESSIONAL COUNSELORS AS MENTAL HEALTH PROFESSIONALS.—Section 792(a) of the Public Health Service Act (42 U.S.C. 295k(a)) is amended by inserting ''professional counselors,'' after ''clinical psychologists,''.

SEC. 107. PREFERENCE IN CERTAIN PROGRAMS.

(a) IN GENERAL.—Section 791 of the Public Health Service Act (42 U.S.C. 295j), as amended by section 105(a)(2)(B), is further amended by adding at the end thereof the following subsection:

''(c) EXCEPTIONS FOR NEW PROGRAMS.—

''(1) IN GENERAL.—To permit new programs to compete equitably for funding under this section, those new programs that meet at least 4 of the criteria described in paragraph (3) shall qualify for a funding preference under this section.

''(2) DEFINITION.—As used in this subsection, the term 'new program' means any program that has graduated less than three classes. Upon graduating at least three classes, a program shall have the capability to provide the information necessary to qualify the program for the general funding preferences described in subsection (a).

''(3) CRITERIA.—The criteria referred to in paragraph (1) are the following:

''(A) The mission statement of the program identifies a specific purpose of the program as being the preparation of health professionals to serve underserved populations.

''(B) The curriculum of the program includes content which will help to prepare practitioners to serve underserved populations.

''(C) Substantial clinical training experience is required under the program in medically underserved communities.

''(D) A minimum of 20 percent of the clinical faculty of the program spend at least 50 percent of their time providing or supervising care in medically underserved communities.

''(E) The entire program or a substantial portion of the program is physically located in a medically underserved community.

''(F) Student assistance, which is linked to service in medically underserved communities following graduation, is available to the students in the program.

''(G) The program provides a placement mechanism for deploying graduates to medically underserved communities.''.

(b) CONFORMING AMENDMENTS.—Section 791(a) of the Public Health Service Act (42 U.S.C. 295j(a)) is amended—

(1) in paragraph (1), by striking ''sections 747'' and all that follows through ''767'' and inserting ''sections 747 and 750''; and

(2) in paragraph (2), by striking ''under section 798(a)''.

SEC. 108. DEFINITIONS.

(a) GRADUATE PROGRAM IN BEHAVIORAL AND MENTAL HEALTH PRACTICE.—Section 799B(1)(D) of the Public Health Service Act (42 U.S.C. 295p(1)(D)) (as so redesignated by section 106(a)(2)(E)) is amended—

(1) by inserting ''behavioral health and'' before ''mental''; and

(2) by inserting ''behavioral health and mental health practice,'' before ''clinical''.

(b) PROFESSIONAL COUNSELING AS A BEHAVIORAL AND MENTAL HEALTH PRACTICE.—Section 799B of the Public Health Service Act (42 U.S.C. 295p) (as so redesignated by section 106(a)(2)(E)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (C)—

(i) by inserting ''and 'graduate program in professional counseling'' after ''graduate program in marriage and family therapy''''; and

(ii) by inserting before the period the following: ''and a concentration leading to a graduate degree in counseling'';

(B) in subparagraph (D), by inserting ''professional counseling,'' after ''social work,''; and

(C) in subparagraph (E), by inserting ''professional counseling,'' after ''social work,''; and

(2) in paragraph (5)(C), by inserting before the period the following: ''or a degree in counseling or an equivalent degree''.

(c) MEDICALLY UNDERSERVED COMMUNITY.—Section 799B(6) of the Public Health Service Act (42 U.S.C. 295p(6)) (as so redesignated by section 105(a)(2)(E)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end thereof;

(2) in subparagraph (C), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(D) is designated by a State Governor (in consultation with the medical community) as a shortage area or medically underserved community.''.

(d) PROGRAMS FOR THE TRAINING OF PHYSICIAN ASSISTANTS.—Paragraph (3) of section 799B of the Public Health Service Act (42 U.S.C. 295p) (as so redesignated by section 105(a)(2)(E)) is amended to read as follows:

''(3) The term 'program for the training of physician assistants' means an educational program that—

''(A) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to provide primary care under the supervision of a physician;

''(B) extends for at least one academic year and consists of—

''(i) supervised clinical practice; and

''(ii) at least four months (in the aggregate) of classroom instruction, directed toward preparing students to deliver health care;

''(C) has an enrollment of not less than eight students; and

''(D) trains students in primary care, disease prevention, health promotion, geriatric medicine, and home health care.''.

(e) PSYCHOLOGIST.—Section 799B of the Public Health Service Act (42 U.S.C. 295p) (as so redesignated by section 105(a)(2)(E)) is amended by adding at the end the following:

''(11) The term 'psychologist' means an individual who—

''(A) holds a doctoral degree in psychology; and

''(B) is licensed or certified on the basis of the doctoral degree in psychology, by the State in which the individual practices, at the independent practice level of psychology to furnish diagnostic, assessment, preventive, and therapeutic services directly to individuals.''.

SEC. 109. TECHNICAL AMENDMENT ON NATIONAL HEALTH SERVICE CORPS.

Section 338B(b)(1)(B) of the Public Health Service Act (42 U.S.C. 254l–1(b)(1)(B)) is amended by striking ''or other health profession'' and inserting ''behavioral and mental health, or other health profession''.

SEC. 110. SAVINGS PROVISION.

In the case of any authority for making awards of grants or contracts that is terminated by the amendments made by this subtitle, the Secretary of Health and Human Services may, notwithstanding the termination of the authority, continue in effect any grant or contract made under the authority that is in effect on the day before the date of the enactment of this Act, subject to the duration of any such grant or contract not exceeding the period determined by the Secretary in first approving such financial assistance, or in approving the most recent request made (before the date of such enactment) for continuation of such assistance, as the case may be.

Subtitle B—Nursing Workforce Development

SEC. 121. SHORT TITLE.

This subtitle may be cited as the ''Nursing Education and Practice Improvement Act of 1998''.

SEC. 122. PURPOSE.

It is the purpose of this subtitle to restructure the nurse education authorities of title VIII of the Public Health Service Act to permit a comprehensive, flexible, and effective approach to Federal support for nursing workforce development.

SEC. 123. AMENDMENTS TO PUBLIC HEALTH SERVICE ACT.

Title VIII of the Public Health Service Act (42 U.S.C. 296k et seq.) is amended—

(1) by striking the title heading and all that follows except for subpart II of part B and sections 846 and 855; and inserting the following:

''TITLE VIII—NURSING WORKFORCE DEVELOPMENT'';

(2) in subpart II of part B, by striking the subpart heading and inserting the following:

''PART E—STUDENT LOANS'';

(3) by striking section 837;

(4) by inserting after the title heading the following new parts:

''PART A—GENERAL PROVISIONS

''SEC. 801. DEFINITIONS.

''As used in this title:

''(1) ELIGIBLE ENTITIES.—The term 'eligible entities' means schools of nursing, nursing centers, academic health centers, State or local governments, and other public or private nonprofit entities determined appropriate by the Secretary that submit to the Secretary an application in accordance with section 802.

''(2) SCHOOL OF NURSING.—The term 'school of nursing' means a collegiate, associate degree, or diploma school of nursing in a State.

''(3) COLLEGIATE SCHOOL OF NURSING.—The term 'collegiate school of nursing' means a department, division, or other administrative unit in a college or university which provides primarily or exclusively a program of education in professional nursing and related subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing, or to an equivalent degree, and including advanced training related to such program of education provided by such school, but only if such program, or such unit, college or university is accredited.

''(4) ASSOCIATE DEGREE SCHOOL OF NURSING.—The term 'associate degree school of nursing' means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively a two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree, but only if such program, or such unit, college, or university is accredited.

''(5) DIPLOMA SCHOOL OF NURSING.—The term 'diploma school of nursing' means a school affiliated with a hospital or university, or an independent school, which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to a diploma or to equivalent indicia that such program has been satisfactorily completed, but only if such program, or such affiliated school or such hospital or university or such independent school is accredited.

''(6) ACCREDITED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education. For the purpose of this paragraph, the Secretary of Education shall publish a list of recognized accrediting bodies, and of State agencies, which the Secretary of Education determines to be reliable authority as to the quality of education offered.

''(B) NEW PROGRAMS.—A new program of nursing that, by reason of an insufficient period of operation, is not, at the time of the submission of an application for a grant or contract under this title, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of this title if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the program will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of students of the first entering class in such a program.

''(7) NONPROFIT.—The term 'nonprofit' as applied to any school, agency, organization, or institution means one which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

''(8) STATE.—The term 'State' means a State, the Commonwealth of Puerto Rico, the District of Columbia, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands.

''SEC. 802. APPLICATION.

''(a) IN GENERAL.—To be eligible to receive a grant or contract under this title, an eligible entity shall prepare and submit to the Secretary an application that meets the requirements of this section, at such time, in such manner, and containing such information as the Secretary may require.

''(b) PLAN.—An application submitted under this section shall contain the plan of the applicant for carrying out a project with amounts received under this title. Such plan shall be consistent with relevant Federal, State, or regional program plans.

''(c) PERFORMANCE OUTCOME STANDARDS.—An application submitted under this section shall contain a specification by the applicant entity of performance outcome standards that the project to be funded under the grant or contract will be measured against. Such standards shall address relevant national nursing needs that the project will meet. The recipient of a grant or contract under this section shall meet the standards set forth in the grant or contract application.

''(d) LINKAGES.—An application submitted under this section shall contain a description of the linkages with relevant educational and health care entities, including training programs for other health professionals as appropriate, that the project to be funded under the grant or contract will establish.

''SEC. 803. USE OF FUNDS.

''(a) IN GENERAL.—Amounts provided under a grant or contract awarded under this title may be used for training program development and support, faculty development, model demonstrations, trainee support including tuition, books, program fees and reasonable living expenses during the period of training, technical assistance, workforce analysis, and dissemination of information, as appropriate to meet recognized nursing objectives, in accordance with this title.

''(b) MAINTENANCE OF EFFORT.—With respect to activities for which a grant awarded under this title is to be expended, the entity shall agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for the fiscal year preceding the fiscal year for which the entity receives such a grant.

''SEC. 804. MATCHING REQUIREMENT.

''The Secretary may require that an entity that applies for a grant or contract under this title provide non-Federal matching funds, as appropriate, to ensure the institutional commitment of the entity to the projects funded under the grant. Such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in-kind, fairly evaluated, including plant, equipment, or services.

''SEC. 805. PREFERENCE.

''In awarding grants or contracts under this title, the Secretary shall give preference to applicants with projects that will substantially benefit rural or underserved populations, or help meet public health nursing needs in State or local health departments.

''SEC. 806. GENERALLY APPLICABLE PROVISIONS.

''(a) AWARDING OF GRANTS AND CONTRACTS.—The Secretary shall ensure that grants and contracts under this title are awarded on a competitive basis, as appropriate, to carry out innovative demonstration projects or provide for strategic workforce supplementation activities as needed to meet national nursing service goals and in accordance with this title. Contracts may be entered into under this title with public or private entities as determined necessary by the Secretary.

''(b) INFORMATION REQUIREMENTS.—

''(1) IN GENERAL.—Recipients of grants and contracts under this title shall meet information requirements as specified by the Secretary.

''(2) EVALUATIONS.—The Secretary shall establish procedures to ensure the annual evaluation of programs and projects operated by recipients of grants under this title. Such procedures shall ensure that continued funding for such programs and projects will be conditioned upon a demonstration that satisfactory progress has been made by the program or project in meeting the objectives of the program or project.

''(c) TRAINING PROGRAMS.—Training programs conducted with amounts received under this title shall meet applicable accreditation and quality standards.

''(d) DURATION OF ASSISTANCE.—

''(1) IN GENERAL.—Subject to paragraph (2), in the case of an award to an entity of a grant, cooperative agreement, or contract under this title, the period during which payments are made to the entity under the award may not exceed 5 years. The provision of payments under the award shall be subject to annual approval by the Secretary of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. This paragraph may not be construed as limiting the number of awards under the program involved that may be made to the entity.

''(2) LIMITATION.—In the case of an award to an entity of a grant, cooperative agreement, or contract under this title, paragraph (1) shall apply only to the extent not inconsistent with any other provision of this title that relates to the period during which payments may be made under the award.

''(e) PEER REVIEW REGARDING CERTAIN PROGRAMS.—

''(1) IN GENERAL.—Each application for a grant under this title, except advanced nurse traineeship grants under section 811(a)(2), shall be submitted to a peer review group for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval.

''(2) COMPOSITION.—Each peer review group under this subsection shall be composed principally of individuals who are not officers or employees of the Federal Government. In providing for the establishment of peer review groups and procedures, the Secretary shall, except as otherwise provided, ensure sex, racial, ethnic, and geographic representation among the membership of such groups.

''(3) ADMINISTRATION.—This subsection shall be carried out by the Secretary acting through the Administrator of the Health Resources and Services Administration.

''(f) ANALYTIC ACTIVITIES.—The Secretary shall ensure that—

''(1) cross-cutting workforce analytical activities are carried out as part of the workforce information and analysis activities under this title; and

''(2) discipline-specific workforce information is developed and analytical activities are carried out as part of—

''(A) the advanced education nursing activities under part B;

''(B) the workforce diversity activities under part C; and

''(C) basic nursing education and practice activities under part D.

''(g) STATE AND REGIONAL PRIORITIES.—Activities under grants or contracts under this title shall, to the extent practicable, be consistent with related Federal, State, or regional nursing professions program plans and priorities.

''(h) FILING OF APPLICATIONS.—

''(1) IN GENERAL.—Applications for grants or contracts under this title may be submitted by health professions schools, schools of nursing, academic health centers, State or local governments, or other appropriate public or private nonprofit entities as determined appropriate by the Secretary in accordance with this title.

''(2) FOR PROFIT ENTITIES.—Notwithstanding paragraph (1), a for-profit entity may be eligible for a grant or contract under this title as determined appropriate by the Secretary.

''SEC. 807. TECHNICAL ASSISTANCE.

''Funds appropriated under this title may be used by the Secretary to provide technical assistance in relation to any of the authorities under this title.

''PART B—NURSE PRACTITIONERS, NURSE MIDWIVES, NURSE ANESTHETISTS, AND OTHER ADVANCED EDUCATION NURSES

''SEC. 811. ADVANCED EDUCATION NURSING GRANTS.

''(a) IN GENERAL.—The Secretary may award grants to and enter into contracts with eligible entities to meet the costs of—

''(1) projects that support the enhancement of advanced nursing education and practice; and

''(2) traineeships for individuals in advanced nursing education programs.

''(b) DEFINITION OF ADVANCED EDUCATION NURSES.—For purposes of this section, the term 'advanced education nurses' means individuals trained in advanced degree programs including individuals in combined R.N./Master's degree programs, post-nursing master's certificate programs, or, in the case of nurse midwives, in certificate programs in existence on the date that is one day prior to the date of enactment of this section, to serve as nurse practitioners, clinical nurse specialists, nurse midwives, nurse anesthetists, nurse educators, nurse administrators, or public health nurses, or in other nurse specialties determined by the Secretary to require advanced education.

''(c) AUTHORIZED NURSE PRACTITIONER AND NURSE-MIDWIFERY PROGRAMS.—Nurse practitioner and nurse midwifery programs eligible for support under this section are educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) that—

''(1) meet guidelines prescribed by the Secretary; and

''(2) have as their objective the education of nurses who will upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, acute care, and other health care settings.

''(d) AUTHORIZED NURSE ANESTHESIA PROGRAMS.—Nurse anesthesia programs eligible for support under this section are education programs that—

''(1) provide registered nurses with full-time anesthetist education; and

''(2) are accredited by the Council on Accreditation of Nurse Anesthesia Educational Programs.

''(e) OTHER AUTHORIZED EDUCATIONAL PROGRAMS.—The Secretary shall prescribe guidelines as appropriate for other advanced nurse education programs eligible for support under this section.

''(f) TRAINEESHIPS.—

''(1) IN GENERAL.—The Secretary may not award a grant to an applicant under subsection (a) unless the applicant involved agrees that traineeships provided with the grant will only pay all or part of the costs of—

''(A) the tuition, books, and fees of the program of advanced nurse education with respect to which the traineeship is provided; and

''(B) the reasonable living expenses of the individual during the period for which the traineeship is provided.

''(2) DOCTORAL PROGRAMS.—The Secretary may not obligate more than 10 percent of the traineeships under subsection (a) for individuals in doctorate degree programs.

''(3) SPECIAL CONSIDERATION.—In making awards of grants and contracts under subsection (a)(2), the Secretary shall give special consideration to an eligible entity that agrees to expend the award to train advanced education nurses who will practice in health professional shortage areas designated under section 332.

''PART C—INCREASING NURSING WORKFORCE DIVERSITY

''SEC. 821. WORKFORCE DIVERSITY GRANTS.

''(a) IN GENERAL.—The Secretary may award grants to and enter into contracts with eligible entities to meet the costs of special projects to increase nursing education opportunities for individuals who are from disadvantaged backgrounds (including racial and ethnic minorities underrepresented among registered nurses) by providing student scholarships or stipends, pre-entry preparation, and retention activities.

''(b) GUIDANCE.—In carrying out subsection (a), the Secretary shall take into consideration the recommendations of the First, Second and Third Invitational Congresses for Minority Nurse Leaders on 'Caring for the Emerging Majority,' in 1992, 1993 and 1997, and consult with nursing associations including the American Nurses Association, the National League for Nursing, the American Association of Colleges of Nursing, the National Black Nurses Association, the National Association of Hispanic Nurses, the Association of Asian American and Pacific Islander Nurses, the Native American Indian and Alaskan Nurses Association, and the National Council of State Boards of Nursing.

''(c) REQUIRED INFORMATION AND CONDITIONS FOR AWARD RECIPIENTS.—

''(1) IN GENERAL.—Recipients of awards under this section may be required, where requested, to report to the Secretary concerning the annual admission, retention, and graduation rates for individuals from disadvantaged backgrounds and ethnic and racial minorities in the school or schools involved in the projects.

''(2) FALLING RATES.—If any of the rates reported under paragraph (1) fall below the average of the two previous years, the grant or contract recipient shall provide the Secretary with plans for immediately improving such rates.

''(3) INELIGIBILITY.—A recipient described in paragraph (2) shall be ineligible for continued funding under this section if the plan of the recipient fails to improve the rates within the 1-year period beginning on the date such plan is implemented.

''PART D—STRENGTHENING CAPACITY FOR BASIC NURSE EDUCATION AND PRACTICE

''SEC. 831. BASIC NURSE EDUCATION AND PRACTICE GRANTS.

''(a) IN GENERAL.—The Secretary may award grants to and enter into contracts with eligible entities for projects to strengthen capacity for basic nurse education and practice.

''(b) PRIORITY AREAS.—In awarding grants or contracts under this section the Secretary shall give priority to entities that will use amounts provided under such a grant or contract to enhance the educational mix and utilization of the basic nursing workforce by strengthening programs that provide basic nurse education, such as through—

''(1) establishing or expanding nursing practice arrangements in noninstitutional settings to demonstrate methods to improve access to primary health care in medically underserved communities;

''(2) providing care for underserved populations and other high-risk groups such as the elderly, individuals with HIV-AIDS, substance abusers, the homeless, and victims of domestic violence;

''(3) providing managed care, quality improvement, and other skills needed to practice in existing and emerging organized health care systems;

''(4) developing cultural competencies among nurses;

''(5) expanding the enrollment in baccalaureate nursing programs;

''(6) promoting career mobility for nursing personnel in a variety of training settings and cross training or specialty training among diverse population groups;

''(7) providing education in informatics, including distance learning methodologies; or

''(8) other priority areas as determined by the Secretary.'';

(5) by adding at the end the following:

''PART F—FUNDING

''SEC. 841. FUNDING.

''(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out parts B, C, and D (subject to section 845(g)), there are authorized to be appropriated $65,000,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002.

''(b) ALLOCATIONS FOR FISCAL YEARS 1998 THROUGH 2002.—

''(1) NURSE PRACTITIONERS; NURSE MIDWIVES.—

''(A) FISCAL YEAR 1998.—Of the amount appropriated under subsection (a) for fiscal

year 1998, the Secretary shall reserve not less than $17,564,000 for making awards of grants and contracts under section 822 as such section was in effect for fiscal year 1998.

''(B) FISCAL YEARS 1999 THROUGH 2002.—Of the amount appropriated under subsection (a) for fiscal year 1999 or any of the fiscal years 2000 through 2002, the Secretary, subject to subsection (d), shall reserve for the fiscal year involved, for making awards of grants and contracts under part B with respect to nurse practitioners and nurse midwives, not less than the percentage constituted by the ratio of the amount appropriated under section 822 as such section was in effect for fiscal year 1998 to the total of the amounts appropriated under this title for such fiscal year. For purposes of the preceding sentence, the Secretary, in determining the amount that has been reserved for the fiscal year involved, shall include any amounts appropriated under subsection (a) for the fiscal year that are obligated by the Secretary to continue in effect grants or contracts under section 822 as such section was in effect for fiscal year 1998.

''(2) NURSE ANESTHETISTS.—

''(A) FISCAL YEAR 1998.—Of the amount appropriated under subsection (a) for fiscal year 1998, the Secretary shall reserve not less than $2,761,000 for making awards of grants and contracts under section 831 as such section was in effect for fiscal year 1998.

''(B) FISCAL YEARS 1999 THROUGH 2002.—Of the amount appropriated under subsection (a) for fiscal year 1999 or any of the fiscal years 2000 through 2002, the Secretary, subject to subsection (d), shall reserve for the fiscal year involved, for making awards of grants and contracts under part B with respect to nurse anesthetists, not less than the percentage constituted by the ratio of the amount appropriated under section 831 as such section was in effect for fiscal year 1998 to the total of the amounts appropriated under this title for such fiscal year. For purposes of the preceding sentence, the Secretary, in determining the amount that has been reserved for the fiscal year involved, shall include any amounts appropriated under subsection (a) for the fiscal year that are obligated by the Secretary to continue in effect grants or contracts under section 831 as such section was in effect for fiscal year 1998.

''(c) ALLOCATIONS AFTER FISCAL YEAR 2002.—

''(1) IN GENERAL.—For fiscal year 2003 and subsequent fiscal years, amounts appropriated under subsection (a) for the fiscal year involved shall be allocated by the Secretary among parts B, C, and D (and programs within such parts) according to a methodology that is developed in accordance with paragraph (2). The Secretary shall enter into a contract with a public or private entity for the purpose of developing the methodology. The contract shall require that the development of the methodology be completed not later than February 1, 2002.

''(2) USE OF CERTAIN FACTORS.—The contract under paragraph (1) shall provide that the methodology under such paragraph will be developed in accordance with the following:

''(A) The methodology will take into account the need for and the distribution of health services among medically underserved populations, as determined according to the factors that apply under section 330(b)(3).

''(B) The methodology will take into account the need for and the distribution of health services in health professional shortage areas, as determined according to the factors that apply under section 332(b).

''(C) The methodology will take into account the need for and the distribution of mental health services among medically underserved populations and in health professional shortage areas.

''(D) The methodology will be developed in consultation with individuals in the field of nursing, including registered nurses, nurse practitioners, nurse midwives, nurse anesthetists, clinical nurse specialists, nursing educators and educational institutions, nurse executives, pediatric nurse associates and practitioners, and women's health, obstetric, and neonatal nurses.

''(E) The methodology will take into account the following factors with respect to the States:

''(i) A provider population ratio equivalent to a managed care formula of 1/1,500 for primary care services.

''(ii) The use of whole rather than fractional counts in determining the number of health care providers.

''(iii) The counting of only employed health care providers in determining the number of health care providers.

''(iv) The number of families whose income is less than 200 percent of the official poverty line (as established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981).

''(v) The rate of infant mortality and the rate of low-birthweight births.

''(vi) The percentage of the general population constituted by individuals who are members or racial or ethnic minority groups, stated both by minority group and in the aggregate.

''(vii) The percentage of the general population constituted by individuals who are of Hispanic ethnicity.

''(viii) The number of individuals residing in health professional shortage areas, and the number of individuals who are members of medically underserved populations.

''(ix) The percentage of the general population constituted by elderly individuals.

''(x) The extent to which the populations served have a choice of providers.

''(xi) The impact of care on hospitalizations and emergency room use.

''(xii) The number of individuals who lack proficiency in speaking the English language.

''(xiii) Such additional factors as the Secretary determines to be appropriate.

''(3) REPORT TO CONGRESS.—Not later than 30 days after the completion of the development of the methodology required in paragraph (1), the Secretary shall submit to the Committee on Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the methodology and explaining the effects of the methodology on the allocation among parts B, C, and D (and programs within such parts) of amounts appropriated under subsection (a) for the first fiscal year for which the methodology will be in effect. Such explanation shall include a comparison of the allocation for such fiscal year with the allocation made under this section for the preceding fiscal year.

''(d) USE OF METHODOLOGY BEFORE FISCAL YEAR 2003.—With respect to the fiscal years 1999 through 2002, if the report required in subsection (c)(3) is submitted in accordance with such subsection not later than 90 days before the beginning of such a fiscal year, the Secretary may for such year implement the methodology described in the report (rather than implementing the methodology in fiscal year 2003), in which case subsection (b) ceases to be in effect. The authority under the preceding sentence is subject to the condition that the fiscal year for which the methodology is implemented be the same fiscal year identified in such report as the fiscal year for which the methodology will first be in effect.

''(e) AUTHORITY FOR USE OF ADDITIONAL FACTORS IN METHODOLOGY.—

''(1) IN GENERAL.—The Secretary shall make the determinations specified in paragraph (2). For any fiscal year beginning after the first fiscal year for which the methodology under subsection (c)(1) is in effect, the Secretary may alter the methodology by including the information from such determinations as factors in the methodology.

''(2) RELEVANT DETERMINATIONS.—The determinations referred to in paragraph (1) are as follows:

''(A) The need for and the distribution of health services among populations for which it is difficult to determine the number of individuals who are in the population, such as homeless individuals; migratory and seasonal agricultural workers and their families; individuals infected with the human immunodeficiency virus, and individuals who abuse drugs.

''(B) In the case of a population for which the determinations under subparagraph (A) are made, the extent to which the population includes individuals who are members of racial or ethnic minority groups and a specification of the skills needed to provide health services to such individuals in the language and the educational and cultural context that is most appropriate to the individuals.

''(C) Data, obtained from the Director of the Centers for Disease Control and Prevention, on rates of morbidity and mortality among various populations (including data on the rates of maternal and infant mortality and data on the rates of low-birthweight births of living infants).

''(D) Data from the Health Plan Employer Data and Information Set, as appropriate.

''PART G—NATIONAL ADVISORY COUNCIL ON NURSE EDUCATION AND PRACTICE

''SEC. 845. NATIONAL ADVISORY COUNCIL ON NURSE EDUCATION AND PRACTICE.

''(a) ESTABLISHMENT.—The Secretary shall establish an advisory council to be known as the National Advisory Council on Nurse Education and Practice (in this section referred to as the 'Advisory Council').

''(b) COMPOSITION.—

''(1) IN GENERAL.—The Advisory Council shall be composed of

''(A) not less than 21, nor more than 23 individuals, who are not officers or employees of the Federal Government, appointed by the Secretary without regard to the Federal civil service laws, of which—

''(i) 2 shall be selected from full-time students enrolled in schools of nursing;

''(ii) 2 shall be selected from the general public;

''(iii) 2 shall be selected from practicing professional nurses; and

''(iv) 9 shall be selected from among the leading authorities in the various fields of nursing, higher, secondary education, and associate degree schools of nursing, and from representatives of advanced education nursing groups (such as nurse practitioners, nurse midwives, and nurse anesthetists), hospitals, and other institutions and organizations which provide nursing services; and

''(B) the Secretary (or the delegate of the Secretary (who shall be an ex officio member and shall serve as the Chairperson)).

''(2) APPOINTMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall appoint the members of the Advisory Council and each such member shall serve a 4 year term. In making such appointments, the Secretary shall ensure a fair balance between the nursing professions, a broad geographic representation of members and a balance between urban and rural members. Members shall be appointed based on

their competence, interest, and knowledge of the mission of the profession involved. A majority of the members shall be nurses.

''(3) MINORITY REPRESENTATION.—In appointing the members of the Advisory Council under paragraph (1), the Secretary shall ensure the adequate representation of minorities.

''(c) VACANCIES.—

''(1) IN GENERAL.—A vacancy on the Advisory Council shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

''(2) FILLING UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

''(d) DUTIES.—The Advisory Council shall—

''(1) provide advice and recommendations to the Secretary and Congress concerning policy matters arising in the administration of this title, including the range of issues relating to the nurse workforce, education, and practice improvement;

''(2) provide advice to the Secretary and Congress in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including the range of issues relating to nurse supply, education and practice improvement; and

''(3) not later than 3 years after the date of enactment of this section, and annually thereafter, prepare and submit to the Secretary, the Committee on Labor and Human Resources of the Senate, and the Committee on Commerce of the House of Representatives, a report describing the activities of the Council, including findings and recommendations made by the Council concerning the activities under this title.

''(e) MEETINGS AND DOCUMENTS.—

''(1) MEETINGS.—The Advisory Council shall meet not less than 2 times each year. Such meetings shall be held jointly with other related entities established under this title where appropriate.

''(2) DOCUMENTS.—Not later than 14 days prior to the convening of a meeting under paragraph (1), the Advisory Council shall prepare and make available an agenda of the matters to be considered by the Advisory Council at such meeting. At any such meeting, the Advisory Council shall distribute materials with respect to the issues to be addressed at the meeting. Not later than 30 days after the adjourning of such a meeting, the Advisory Council shall prepare and make available a summary of the meeting and any actions taken by the Council based upon the meeting.

''(f) COMPENSATION AND EXPENSES.—

''(1) COMPENSATION.—Each member of the Advisory Council shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Council. All members of the Council who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

''(2) EXPENSES.—The members of the Advisory Council shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Council.

''(g) FUNDING.—Amounts appropriated under this title may be utilized by the Secretary to support the nurse education and practice activities of the Council.

''(h) FACA.—The Federal Advisory Committee Act shall apply to the Advisory Committee under this section only to the extent that the provisions of such Act do not conflict with the requirements of this section.''; and

(6) by redesignating section 855 as section 810, and transferring such section so as to appear after section 809 (as added by the amendment made by paragraph (5)).

SEC. 124. SAVINGS PROVISION.

In the case of any authority for making awards of grants or contracts that is terminated by the amendment made by section 123, the Secretary of Health and Human Services may, notwithstanding the termination of the authority, continue in effect any grant or contract made under the authority that is in effect on the day before the date of the enactment of this Act, subject to the duration of any such grant or contract not exceeding the period determined by the Secretary in first approving such financial assistance, or in approving the most recent request made (before the date of such enactment) for continuation of such assistance, as the case may be.

Subtitle C—Financial Assistance

CHAPTER 1—SCHOOL-BASED REVOLVING LOAN FUNDS

SEC. 131. PRIMARY CARE LOAN PROGRAM.

(a) REQUIREMENT FOR SCHOOLS.—Section 723(b)(1) of the Public Health Service Act (42 U.S.C. 292s(b)(1)), as amended by section 2014(c)(2)(A)(ii) of Public Law 103–43 (107 Stat. 216), is amended by striking ''3 years before'' and inserting ''4 years before''.

(b) NONCOMPLIANCE.—Section 723(a)(3) of the Public Health Service Act (42 U.S.C. 292s(a)(3)) is amended to read as follows:

''(3) NONCOMPLIANCE BY STUDENT.—Each agreement entered into with a student pursuant to paragraph (1) shall provide that, if the student fails to comply with such agreement, the loan involved will begin to accrue interest at a rate of 18 percent per year beginning on the date of such noncompliance.''.

(c) REPORT REQUIREMENT.—Section 723 of the Public Health Service Act (42 U.S.C. 292s) is amended—

(1) by striking subsection (c); and

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

SEC. 132. LOANS FOR DISADVANTAGED STUDENTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 724(f)(1) of the Public Health Service Act (42 U.S.C. 292t(f)(1)) is amended by striking ''$15,000,000 for fiscal year 1993'' and inserting ''$8,000,000 for each of the fiscal years 1998 through 2002''.

(b) REPEAL.—Effective October 1, 2002, paragraph (1) of section 724(f) of the Public Health Service Act (42 U.S.C. 292t(f)(1)) is repealed.

SEC. 133. STUDENT LOANS REGARDING SCHOOLS OF NURSING.

(a) IN GENERAL.—Section 836(b) of the Public Health Service Act (42 U.S.C. 297b(b)) is amended—

(1) in paragraph (1), by striking the period at the end and inserting a semicolon;

(2) in paragraph (2)—

(A) in subparagraph (A), by striking ''and'' at the end; and

(B) by inserting before the semicolon at the end the following: '', and (C) such additional periods under the terms of paragraph (8) of this subsection'';

(3) in paragraph (7), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following paragraph:

''(8) pursuant to uniform criteria established by the Secretary, the repayment period established under paragraph (2) for any student borrower who during the repayment period failed to make consecutive payments and who, during the last 12 months of the repayment period, has made at least 12 consecutive payments may be extended for a period not to exceed 10 years.''.

(b) MINIMUM MONTHLY PAYMENTS.—Section 836(g) of the Public Health Service Act (42 U.S.C. 297b(g)) is amended by striking ''$15'' and inserting ''$40''.

(c) ELIMINATION OF STATUTE OF LIMITATION FOR LOAN COLLECTIONS.—

(1) IN GENERAL.—Section 836 of the Public Health Service Act (42 U.S.C. 297b) is amended by adding at the end the following new subsection:

''(l) ELIMINATION OF STATUTE OF LIMITATION FOR LOAN COLLECTIONS.—

''(1) PURPOSE.—It is the purpose of this subsection to ensure that obligations to repay loans under this section are enforced without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced.

''(2) PROHIBITION.—Notwithstanding any other provision of Federal or State law, no limitation shall terminate the period within which suit may be filed, a judgment may be enforced, or an offset, garnishment, or other action may be initiated or taken by a school of nursing that has an agreement with the Secretary pursuant to section 835 that is seeking the repayment of the amount due from a borrower on a loan made under this subpart after the default of the borrower on such loan.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective with respect to actions pending on or after the date of enactment of this Act.

(d) BREACH OF AGREEMENTS.—Section 846 of the Public Health Service Act (42 U.S.C. 297n) is amended by adding at the end thereof the following new subsection:

''(h) BREACH OF AGREEMENT.—

''(1) IN GENERAL.—In the case of any program under this section under which an individual makes an agreement to provide health services for a period of time in accordance with such program in consideration of receiving an award of Federal funds regarding education as a nurse (including an award for the repayment of loans), the following applies if the agreement provides that this subsection is applicable:

''(A) In the case of a program under this section that makes an award of Federal funds for attending an accredited program of nursing (in this section referred to as a 'nursing program'), the individual is liable to the Federal Government for the amount of such award (including amounts provided for expenses related to such attendance), and for interest on such amount at the maximum legal prevailing rate, if the individual—

''(i) fails to maintain an acceptable level of academic standing in the nursing program (as indicated by the program in accordance with requirements established by the Secretary);

''(ii) is dismissed from the nursing program for disciplinary reasons; or

''(iii) voluntarily terminates the nursing program.

''(B) The individual is liable to the Federal Government for the amount of such award (including amounts provided for expenses related to such attendance), and for interest on such amount at the maximum legal prevailing rate, if the individual fails to provide health services in accordance with the program under this section for the period of time applicable under the program.

''(2) WAIVER OR SUSPENSION OF LIABILITY.—In the case of an individual or health facility

making an agreement for purposes of paragraph (1), the Secretary shall provide for the waiver or suspension of liability under such subsection if compliance by the individual or the health facility, as the case may be, with the agreements involved is impossible, or would involve extreme hardship to the individual or facility, and if enforcement of the agreements with respect to the individual or facility would be unconscionable.

''(3) DATE CERTAIN FOR RECOVERY.—Subject to paragraph (2), any amount that the Federal Government is entitled to recover under paragraph (1) shall be paid to the United States not later than the expiration of the 3-year period beginning on the date the United States becomes so entitled.

''(4) AVAILABILITY.—Amounts recovered under paragraph (1) with respect to a program under this section shall be available for the purposes of such program, and shall remain available for such purposes until expended.''.

(e) TECHNICAL AMENDMENTS.—Section 839 of the Public Health Service Act (42 U.S.C. 297e) is amended—

(1) in subsection (a)—

(A) by striking the matter preceding paragraph (1) and inserting the following:

''(a) If a school terminates a loan fund established under an agreement pursuant to section 835(b), or if the Secretary for good cause terminates the agreement with the school, there shall be a capital distribution as follows:''; and

(B) in paragraph (1), by striking ''at the close of September 30, 1999,'' and inserting ''on the date of termination of the fund''; and

(2) in subsection (b), to read as follows:

''(b) If a capital distribution is made under subsection (a), the school involved shall, after such capital distribution, pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school in payment of principal or interest on loans made from the loan fund established under section 835(b) as determined by the Secretary under subsection (a).''.

SEC. 134. GENERAL PROVISIONS.

(a) MAXIMUM STUDENT LOAN PROVISIONS AND MINIMUM PAYMENTS.—

(1) IN GENERAL.—Section 722(a)(1) of the Public Health Service Act (42 U.S.C. 292r(a)(1)), as amended by section 2014(b)(1) of Public Law 103–43, is amended by striking ''the sum of'' and all that follows through the end thereof and inserting ''the cost of attendance (including tuition, other reasonable educational expenses, and reasonable living costs) for that year at the educational institution attended by the student (as determined by such educational institution).''.

(2) THIRD AND FOURTH YEARS.—Section 722(a)(2) of the Public Health Service Act (42 U.S.C. 292r(a)(2)), as amended by section 2014(b)(1) of Public Law 103–43, is amended by striking ''the amount $2,500'' and all that follows through ''including such $2,500)'' and inserting ''the amount of the loan may, in the case of the third or fourth year of a student at a school of medicine or osteopathic medicine, be increased to the extent necessary''.

(3) REPAYMENT PERIOD.—Section 722(c) of the Public Health Service Act (42 U.S.C. 292r(c)), as amended by section 2014(b)(1) of Public Law 103–43, is amended—

(A) in the subsection heading by striking ''TEN-YEAR'' and inserting ''REPAYMENT'';

(B) by striking ''ten-year period which begins'' and inserting ''period of not less than 10 years nor more than 25 years, at the discretion of the institution, which begins''; and

(C) by striking ''such ten-year period'' and inserting ''such period''.

(4) MINIMUM PAYMENTS.—Section 722(j) of the Public Health Service Act (42 U.S.C. 292r(j)), as amended by section 2014(b)(1) of Public Law 103–43, is amended by striking ''$15'' and inserting $40''.

(b) ELIMINATION OF STATUTE OF LIMITATION FOR LOAN COLLECTIONS.—

(1) IN GENERAL.—Section 722 of the Public Health Service Act (42 U.S.C. 292r), as amended by section 2014(b)(1) of Public Law 103–43, is amended by adding at the end the following new subsection:

''(m) ELIMINATION OF STATUTE OF LIMITATION FOR LOAN COLLECTIONS.—

''(1) PURPOSE.—It is the purpose of this subsection to ensure that obligations to repay loans under this section are enforced without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced.

''(2) PROHIBITION.—Notwithstanding any other provision of Federal or State law, no limitation shall terminate the period within which suit may be filed, a judgment may be enforced, or an offset, garnishment, or other action may be initiated or taken by a school that has an agreement with the Secretary pursuant to section 721 that is seeking the repayment of the amount due from a borrower on a loan made under this subpart after the default of the borrower on such loan.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective with respect to actions pending on or after the date of enactment of this Act.

(c) DATE CERTAIN FOR CONTRIBUTIONS.—Paragraph (2) of section 735(e) of the Public Health Service Act (42 U.S.C. 292y(e)(2)) is amended to read as follows:

''(2) DATE CERTAIN FOR CONTRIBUTIONS.—Amounts described in paragraph (1) that are returned to the Secretary shall be obligated before the end of the succeeding fiscal year.''.

CHAPTER 2—INSURED HEALTH EDUCATION ASSISTANCE LOANS TO GRADUATE STUDENTS

SEC. 141. HEALTH EDUCATION ASSISTANCE LOAN PROGRAM.

(a) HEALTH EDUCATION ASSISTANCE LOAN DEFERMENT FOR BORROWERS PROVIDING HEALTH SERVICES TO INDIANS.—

(1) IN GENERAL.—Section 705(a)(2)(C) of the Public Health Service Act (42 U.S.C. 292d(a)(2)(C)) is amended by striking ''and (x)'' and inserting ''(x) not in excess of three years, during which the borrower is providing health care services to Indians through an Indian health program (as defined in section 108(a)(2)(A) of the Indian Health Care Improvement Act (25 U.S.C. 1616a(a)(2)(A)); and (xi)''.

(2) CONFORMING AMENDMENTS.—Section 705(a)(2)(C) of the Public Health Service Act (42 U.S.C. 292d(a)(2)(C)) is further amended—

(A) in clause (xi) (as so redesignated) by striking ''(ix)'' and inserting ''(x)''; and

(B) in the matter following such clause (xi), by striking ''(x)'' and inserting ''(xi)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to services provided on or after the first day of the third month that begins after the date of the enactment of this Act.

(b) REPORT REQUIREMENT.—Section 709(b) of the Public Health Service Act (42 U.S.C. 292h(b)) is amended—

(1) in paragraph (4)(B), by adding ''and'' after the semicolon;

(2) in paragraph (5), by striking ''; and'' and inserting a period; and

(3) by striking paragraph (6).

(c) PROGRAM ELIGIBILITY.—

(1) LIMITATIONS ON LOANS.—Section 703(a) of the Public Health Service Act (42 U.S.C. 292b(a)) is amended by striking ''or clinical psychology'' and inserting ''or behavioral and mental health practice, including clinical psychology''.

(2) DEFINITION OF ELIGIBLE INSTITUTION.—Section 719(1) of the Public Health Service Act (42 U.S.C. 292o(1)) is amended by striking ''or clinical psychology'' and inserting ''or behavioral and mental health practice, including clinical psychology''.

SEC. 142. HEAL LENDER AND HOLDER PERFORMANCE STANDARDS.

(a) GENERAL AMENDMENTS.—Section 707(a) of the Public Health Service Act (42 U.S.C. 292f) is amended—

(1) by striking the last sentence;

(2) by striking ''determined.'' and inserting ''determined, except that, if the insurance beneficiary including any servicer of the loan is not designated for 'exceptional performance', as set forth in paragraph (2), the Secretary shall pay to the beneficiary a sum equal to 98 percent of the amount of the loss sustained by the insured upon that loan.'';

(3) by striking ''Upon'' and inserting:

''(1) IN GENERAL.—Upon''; and

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

''(2) EXCEPTIONAL PERFORMANCE.—

''(A) AUTHORITY.—Where the Secretary determines that an eligible lender, holder, or servicer has a compliance performance rating that equals or exceeds 97 percent, the Secretary shall designate that eligible lender, holder, or servicer, as the case may be, for exceptional performance.

''(B) COMPLIANCE PERFORMANCE RATING.—For purposes of subparagraph (A), a compliance performance rating is determined with respect to compliance with due diligence in the disbursement, servicing, and collection of loans under this subpart for each year for which the determination is made. Such rating shall be equal to the percentage of all due diligence requirements applicable to each loan, on average, as established by the Secretary, with respect to loans serviced during the period by the eligible lender, holder, or servicer.

''(C) ANNUAL AUDITS FOR LENDERS, HOLDERS, AND SERVICERS.—Each eligible lender, holder, or servicer desiring a designation under subparagraph (A) shall have an annual financial and compliance audit conducted with respect to the loan portfolio of such eligible lender, holder, or servicer, by a qualified independent organization from a list of qualified organizations identified by the Secretary and in accordance with standards established by the Secretary. The standards shall measure the lender's, holder's, or servicer's compliance with due diligence standards and shall include a defined statistical sampling technique designed to measure the performance rating of the eligible lender, holder, or servicer for the purpose of this section. Each eligible lender, holder, or servicer shall submit the audit required by this section to the Secretary.

''(D) SECRETARY'S DETERMINATIONS.—The Secretary shall make the determination under subparagraph (A) based upon the audits submitted under this paragraph and any information in the possession of the Secretary or submitted by any other agency or office of the Federal Government.

''(E) QUARTERLY COMPLIANCE AUDIT.—To maintain its status as an exceptional performer, the lender, holder, or servicer shall undergo a quarterly compliance audit at the end of each quarter (other than the quarter in which status as an exceptional performer is established through a financial and compliance audit, as described in subparagraph (C)), and submit the results of such audit to the Secretary. The compliance audit shall review compliance with due diligence requirements for the period beginning on the

day after the ending date of the previous audit, in accordance with standards determined by the Secretary.

''(F) REVOCATION AUTHORITY.—The Secretary shall revoke the designation of a lender, holder, or servicer under subparagraph (A) if any quarterly audit required under subparagraph (E) is not received by the Secretary by the date established by the Secretary or if the audit indicates the lender, holder, or servicer has failed to meet the standards for designation as an exceptional performer under subparagraph (A). A lender, holder, or servicer receiving a compliance audit not meeting the standard for designation as an exceptional performer may reapply for designation under subparagraph (A) at any time.

''(G) DOCUMENTATION.—Nothing in this section shall restrict or limit the authority of the Secretary to require the submission of claims documentation evidencing servicing performed on loans, except that the Secretary may not require exceptional performers to submit greater documentation than that required for lenders, holders, and servicers not designated under subparagraph (A).

''(H) COST OF AUDITS.—Each eligible lender, holder, or servicer shall pay for all the costs associated with the audits required under this section.

''(I) ADDITIONAL REVOCATION AUTHORITY.—Notwithstanding any other provision of this section, a designation under subparagraph (A) may be revoked at any time by the Secretary if the Secretary determines that the eligible lender, holder, or servicer has failed to maintain an overall level of compliance consistent with the audit submitted by the eligible lender, holder, or servicer under this paragraph or if the Secretary asserts that the lender, holder, or servicer may have engaged in fraud in securing designation under subparagraph (A) or is failing to service loans in accordance with program requirements.

''(J) NONCOMPLIANCE.—A lender, holder, or servicer designated under subparagraph (A) that fails to service loans or otherwise comply with applicable program regulations shall be considered in violation of the Federal False Claims Act.''.

(b) DEFINITION.—Section 707(e) of the Public Health Service Act (42 U.S.C. 292f(e)) is amended by adding at the end the following new paragraph:

''(4) The term 'servicer' means any agency acting on behalf of the insurance beneficiary.''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to loans submitted to the Secretary for payment on or after the first day of the sixth month that begins after the date of enactment of this Act.

SEC. 143. INSURANCE PROGRAM.

Section 710(a)(2)(B) of the Public Health Service Act (42 U.S.C. 292i(a)(2)(B)) is amended by striking ''any of the fiscal years 1993 through 1996'' and inserting ''fiscal year 1993 and subsequent fiscal years''.

SEC. 144. HEAL BANKRUPTCY.

(a) IN GENERAL.—Section 707(g) of the Public Health Service Act (42 U.S.C. 292f(g)) is amended in the first sentence by striking ''A debt which is a loan insured'' and inserting ''Notwithstanding any other provision of Federal or State law, a debt that is a loan insured''.

(b) APPLICATION.—The amendment made by subsection (a) shall apply to any loan insured under the authority of subpart I of part A of title VII of the Public Health Service Act (42 U.S.C. 292 et seq.) that is listed or scheduled by the debtor in a case under title XI, United States Code, filed—

(1) on or after the date of enactment of this Act; or

(2) prior to such date of enactment in which a discharge has not been granted.

SEC. 145. HEAL REFINANCING.

Section 706 of the Public Health Service Act (42 U.S.C. 292e) is amended—

(1) in subsection (d)—

(A) in the subsection heading, by striking ''CONSOLIDATION'' and inserting ''REFINANCING OR CONSOLIDATION''; and

(B) in the first sentence, by striking ''indebtedness'' and inserting ''indebtedness or the refinancing of a single loan''; and

(2) in subsection (e)—

(A) in the subsection heading, by striking ''DEBTS'' and inserting ''DEBTS AND REFINANCING'';

(B) in the first sentence, by striking ''all of the borrower's debts into a single instrument'' and inserting ''all of the borrower's loans insured under this subpart into a single instrument (or, if the borrower obtained only 1 loan insured under this subpart, refinancing the loan 1 time)''; and

(C) in the second sentence, by striking ''consolidation'' and inserting ''consolidation or refinancing''.

TITLE II—OFFICE OF MINORITY HEALTH

SEC. 201. REVISION AND EXTENSION OF PROGRAMS OF OFFICE OF MINORITY HEALTH.

(a) DUTIES AND REQUIREMENTS.—Section 1707 of the Public Health Service Act (42 U.S.C. 300u–6) is amended by striking subsection (b) and all that follows and inserting the following:

''(b) DUTIES.—With respect to improving the health of racial and ethnic minority groups, the Secretary, acting through the Deputy Assistant Secretary for Minority Health (in this section referred to as the 'Deputy Assistant Secretary'), shall carry out the following:

''(1) Establish short-range and long-range goals and objectives and coordinate all other activities within the Public Health Service that relate to disease prevention, health promotion, service delivery, and research concerning such individuals. The heads of each of the agencies of the Service shall consult with the Deputy Assistant Secretary to ensure the coordination of such activities.

''(2) Enter into interagency agreements with other agencies of the Public Health Service.

''(3) Support research, demonstrations and evaluations to test new and innovative models.

''(4) Increase knowledge and understanding of health risk factors.

''(5) Develop mechanisms that support better information dissemination, education, prevention, and service delivery to individuals from disadvantaged backgrounds, including individuals who are members of racial or ethnic minority groups.

''(6) Ensure that the National Center for Health Statistics collects data on the health status of each minority group.

''(7) With respect to individuals who lack proficiency in speaking the English language, enter into contracts with public and nonprofit private providers of primary health services for the purpose of increasing the access of the individuals to such services by developing and carrying out programs to provide bilingual or interpretive services.

''(8) Support a national minority health resource center to carry out the following:

''(A) Facilitate the exchange of information regarding matters relating to health information and health promotion, preventive health services, and education in the appropriate use of health care.

''(B) Facilitate access to such information.

''(C) Assist in the analysis of issues and problems relating to such matters.

''(D) Provide technical assistance with respect to the exchange of such information (including facilitating the development of materials for such technical assistance).

''(9) Carry out programs to improve access to health care services for individuals with limited proficiency in speaking the English language. Activities under the preceding sentence shall include developing and evaluating model projects.

''(c) ADVISORY COMMITTEE.—

''(1) IN GENERAL.—The Secretary shall establish an advisory committee to be known as the Advisory Committee on Minority Health (in this subsection referred to as the 'Committee').

''(2) DUTIES.—The Committee shall provide advice to the Deputy Assistant Secretary carrying out this section, including advice on the development of goals and specific program activities under paragraphs (1) through (9) of subsection (b) for each racial and ethnic minority group.

''(3) CHAIR.—The chairperson of the Committee shall be selected by the Secretary from among the members of the voting members of the Committee. The term of office of the chairperson shall be 2 years.

''(4) COMPOSITION.—

''(A) The Committee shall be composed of 12 voting members appointed in accordance with subparagraph (B), and nonvoting, ex officio members designated in subparagraph (C).

''(B) The voting members of the Committee shall be appointed by the Secretary from among individuals who are not officers or employees of the Federal Government and who have expertise regarding issues of minority health. The racial and ethnic minority groups shall be equally represented among such members.

''(C) The nonvoting, ex officio members of the Committee shall be such officials of the Department of Health and Human Services as the Secretary determines to be appropriate.

''(5) TERMS.—Each member of the Committee shall serve for a term of 4 years, except that the Secretary shall initially appoint a portion of the members to terms of 1 year, 2 years, and 3 years.

''(6) VACANCIES.—If a vacancy occurs on the Committee, a new member shall be appointed by the Secretary within 90 days from the date that the vacancy occurs, and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the Committee.

''(7) COMPENSATION.—Members of the Committee who are officers or employees of the United States shall serve without compensation. Members of the Committee who are not officers or employees of the United States shall receive compensation, for each day (including travel time) they are engaged in the performance of the functions of the Committee. Such compensation may not be in an amount in excess of the daily equivalent of the annual maximum rate of basic pay payable under the General Schedule (under title 5, United States Code) for positions above GS–15.

''(d) CERTAIN REQUIREMENTS REGARDING DUTIES.—

''(1) RECOMMENDATIONS REGARDING LANGUAGE AS IMPEDIMENT TO HEALTH CARE.—The Deputy Assistant Secretary for Minority Health shall consult with the Director of the Office of International and Refugee Health, the Director of the Office of Civil Rights, and the Directors of other appropriate Departmental entities regarding recommendations for carrying out activities under subsection (b)(9).

''(2) EQUITABLE ALLOCATION REGARDING ACTIVITIES.—In carrying out subsection (b), the Secretary shall ensure that services provided under such subsection are equitably allocated among all groups served under this section by the Secretary.

''(3) CULTURAL COMPETENCY OF SERVICES.—The Secretary shall ensure that information and services provided pursuant to subsection (b) are provided in the language, educational, and cultural context that is most appropriate for the individuals for whom the information and services are intended.

''(e) GRANTS AND CONTRACTS REGARDING DUTIES.—

''(1) IN GENERAL.—In carrying out subsection (b), the Secretary acting through the Deputy Assistant Secretary may make awards of grants, cooperative agreements, and contracts to public and nonprofit private entities.

''(2) PROCESS FOR MAKING AWARDS.—The Deputy Assistant Secretary shall ensure that awards under paragraph (1) are made, to the extent practical, only on a competitive basis, and that a grant is awarded for a proposal only if the proposal has been recommended for such an award through a process of peer review.

''(3) EVALUATION AND DISSEMINATION.—The Deputy Assistant Secretary, directly or through contracts with public and private entities, shall provide for evaluations of projects carried out with awards made under paragraph (1) during the preceding 2 fiscal years. The report shall be included in the report required under subsection (f) for the fiscal year involved.

''(f) REPORTS.—

''(1) IN GENERAL.—Not later than February 1 of fiscal year 1999 and of each second year thereafter, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the activities carried out under this section during the preceding 2 fiscal years and evaluating the extent to which such activities have been effective in improving the health of racial and ethnic minority groups. Each such report shall include the biennial reports submitted under sections 201(e)(3) and 201(f)(2) for such years by the heads of the Public Health Service agencies.

''(2) AGENCY REPORTS.—Not later than February 1, 1999, and biennially thereafter, the heads of the Public Health Service agencies shall submit to the Deputy Assistant Secretary a report summarizing the minority health activities of each of the respective agencies.

''(g) DEFINITION.—For purposes of this section:

''(1) The term 'racial and ethnic minority group' means American Indians (including Alaska Natives, Eskimos, and Aleuts); Asian Americans and Pacific Islanders; Blacks; and Hispanics.

''(2) The term 'Hispanic' means individuals whose origin is Mexican, Puerto Rican, Cuban, Central or South American, or any other Spanish-speaking country.

''(h) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $30,000,000 for fiscal year 1998, such sums as may be necessary for each of the fiscal years 1999 through 2002.''.

(b) AUTHORIZATION FOR NATIONAL CENTER FOR HEALTH STATISTICS.—Section 306 of the Public Health Service Act (42 U.S.C. 242k) is amended—

(1) in subsection (m), by adding at the end the following:

''(4)(A) Subject to subparagraph (B), the Secretary, acting through the Center, shall collect data on Hispanics and major Hispanic subpopulation groups and American Indians, and for developing special area population studies on major Asian American and Pacific Islander populations.

''(B) The provisions of subparagraph (A) shall be effective with respect to a fiscal year only to the extent that funds are appropriated pursuant to paragraph (3) of subsection (n), and only if the amounts appropriated for such fiscal year pursuant to each of paragraphs (1) and (2) of subsection (n) equal or exceed the amounts so appropriated for fiscal year 1997.'';

(2) in subsection (n)(1), by striking ''through 1998'' and inserting ''through 2003''; and

(3) in subsection (n)

(A) in the first sentence of paragraph (2)—

(i) by striking ''authorized in subsection (m)'' and inserting ''authorized in paragraphs (1) through (3) of subsection (m)''; and

(ii) by striking ''$5,000,000'' and all that follows through the period and inserting ''such sums as may be necessary for each of the fiscal years 1999 through 2003.''; and

(B) by adding at the end the following:

''(3) For activities authorized in subsection (m)(4), there are authorized to be appropriated $1,000,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002.''.

(c) MISCELLANEOUS AMENDMENTS.—Section 1707 of the Public Health Service Act (42 U.S.C. 300u–6) is amended—

(1) in the heading for the section by striking ''ESTABLISHMENT OF''; and

(2) in subsection (a), by striking ''Office of the Assistant Secretary for Health'' and inserting ''Office of Public Health and Science''.

TITLE III—SELECTED INITIATIVES

SEC. 301. STATE OFFICES OF RURAL HEALTH.

Section 338J of the Public Health Service Act (42 U.S.C. 254r) is amended—

(1) in subsection (b)(1), in the matter preceding subparagraph (A), by striking ''in cash''; and

(2) in subsection (j)(1)—

(A) by striking ''and'' after ''1992,''; and

(B) by inserting before the period the following: '', and such sums as may be necessary for each of the fiscal years 1998 through 2002''; and

(3) in subsection (k), by striking ''$10,000,000'' and inserting ''$36,000,000''.

SEC. 302. DEMONSTRATION PROJECTS REGARDING ALZHEIMER'S DISEASE.

(a) IN GENERAL.—Section 398(a) of the Public Health Service Act (42 U.S.C. 280c–3(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''not less than 5, and not more than 15,'';

(2) in paragraph (2)—

(A) by inserting after ''disorders'' the following: ''who are living in single family homes or in congregate settings''; and

(B) by striking ''and'' at the end;

(3) by redesignating paragraph (3) as paragraph (4); and

(4) by inserting after paragraph (2) the following:

''(3) to improve the access of such individuals to home-based or community-based long-term care services (subject to the services being provided by entities that were providing such services in the State involved as of October 1, 1995), particularly such individuals who are members of racial or ethnic minority groups, who have limited proficiency in speaking the English language, or who live in rural areas; and''.

(b) DURATION.—Section 398A of the Public Health Service Act (42 U.S.C. 280c–4) is amended—

(1) in the heading for the section, by striking ''**LIMITATION**'' and all that follows and inserting ''**REQUIREMENT OF MATCHING FUNDS**'';

(2) by striking subsection (a);

(3) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(4) in subsection (a) (as so redesignated), in each of paragraphs (1)(C) and (2)(C), by striking ''third year'' and inserting ''third or subsequent year''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 398B(e) of the Public Health Service Act (42 U.S.C. 280c–5(e)) is amended—

(1) by striking ''and such sums'' and inserting ''such sums''; and

(2) by inserting before the period the following: '', $8,000,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002''.

SEC. 303. PROJECT GRANTS FOR IMMUNIZATION SERVICES.

Section 317(j) of the Public Health Service Act (42 U.S.C. 247b(j)) is amended—

(1) in paragraph (1), by striking ''individuals against vaccine-preventable diseases'' and all that follows through the first period and inserting the following: ''children, adolescents, and adults against vaccine-preventable diseases, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1998 through 2002.''; and

(2) in paragraph (2), by striking ''1990'' and inserting ''1997''.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. TECHNICAL CORRECTIONS REGARDING PUBLIC LAW 103–183.

(a) AMENDATORY INSTRUCTIONS.—Public Law 103–183 is amended—

(1) in section 601—

(A) in subsection (b), in the matter preceding paragraph (1), by striking ''Section 1201 of the Public Health Service Act (42 U.S.C. 300d)'' and inserting ''Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.)''; and

(B) in subsection (f)(1), by striking ''in section 1204(c)'' and inserting ''in section 1203(c) (as redesignated by subsection (b)(2) of this section)'';

(2) in section 602, by striking ''for the purpose'' and inserting ''For the purpose''; and

(3) in section 705(b), by striking ''317D((l)(1)'' and inserting ''317D(l)(1)''.

(b) PUBLIC HEALTH SERVICE ACT.—The Public Health Service Act, as amended by Public Law 103–183 and by subsection (a) of this section, is amended—

(1) in section 317E(g)(2), by striking ''making grants under subsection (b)'' and inserting ''carrying out subsection (b)'';

(2) in section 318, in subsection (e) as in effect on the day before the date of the enactment of Public Law 103–183, by redesignating the subsection as subsection (f);

(3) in subpart 6 of part C of title IV—

(A) by transferring the first section 447 (added by section 302 of Public Law 103–183) from the current placement of the section;

(B) by redesignating the section as section 447A; and

(C) by inserting the section after section 447;

(4) in section 1213(a)(8), by striking ''provides for for'' and inserting ''provides for'';

(5) in section 1501, by redesignating the second subsection (c) (added by section 101(f) of Public Law 103–183) as subsection (d); and

(6) in section 1505(3), by striking ''nonprofit''.

(c) MISCELLANEOUS CORRECTION.—Section 401(c)(3) of Public Law 103–183 is amended in the matter preceding subparagraph (A) by striking ''(d)(5)'' and inserting ''(e)(5)''.

(d) CONFORMING AMENDMENT.—Section 308(b) of the Public Health Service Act (42 U.S.C. 242m(b)) is amended—

(1) in paragraph (2)(A), by striking ''306(n)'' and inserting ''306(m)''; and

(2) in paragraph (2)(C), by striking ''306(n)'' and inserting ''306(m)''.

(e) EFFECTIVE DATE.—This section is deemed to have taken effect immediately after the enactment of Public Law 103–183.

SEC. 402. MISCELLANEOUS AMENDMENTS REGARDING PHS COMMISSIONED OFFICERS.

(a) ANTI-DISCRIMINATION LAWS.—Amend section 212 of the Public Health Service Act (42 U.S.C. 213) by adding the following new subsection at the end thereof:

''(f) Active service of commissioned officers of the Service shall be deemed to be active military service in the Armed Forces of the United States for purposes of all laws related to discrimination on the basis of race, color, sex, ethnicity, age, religion, and disability.''

(b) TRAINING IN LEAVE WITHOUT PAY STATUS.—Section 218 of the Public Health Service Act (42 U.S.C. 218a) is amended by adding at the end the following:

''(c) A commissioned officer may be placed in leave without pay status while attending an educational institution or training program whenever the Secretary determines that such status is in the best interest of the Service. For purposes of computation of basic pay, promotion, retirement, compensation for injury or death, and the benefits provided by sections 212 and 224, an officer in such status pursuant to the preceding sentence shall be considered as performing service in the Service and shall have an active service obligation as set forth in subsection (b) of this section.''.

(c) UTILIZATION OF ALCOHOL AND DRUG ABUSE RECORDS THAT APPLY TO THE ARMED FORCES.—Section 543(e) of the Public Health Service Act (42 U.S.C. 290dd–2(e)) is amended by striking ''Armed Forces'' each place that such term appears and inserting ''Uniformed Services''.

SEC. 403. CLINICAL TRAINEESHIPS.

Section 303(d)(1) of the Public Health Service Act (42 U.S.C. 242a(d)(1)) is amended by inserting ''counseling,'' after ''family therapy,''.

SEC. 404. PROJECT GRANTS FOR SCREENINGS, REFERRALS, AND EDUCATION REGARDING LEAD POISONING.

Section 317A(l)(1) of the Public Health Service Act (42 U.S.C. 247b–1(l)(1)) is amended by striking ''1998'' and inserting ''2002''.

SEC. 405. PROJECT GRANTS FOR PREVENTIVE HEALTH SERVICES REGARDING TUBERCULOSIS.

Section 317E(g) of the Public Health Service Act (42 U.S.C. 247b–6(g)(1)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''1998'' and inserting ''2002''; and

(B) in subparagraph (B), by striking ''$50,000,000'' and inserting ''25 percent''; and

(2) in paragraph (2), by striking ''1998'' and inserting ''2002''.

SEC. 406. CDC LOAN REPAYMENT PROGRAM.

Section 317F of the Public Health Service Act (42 U.S.C. 247b-7) is amended—

(1) in subsection (a)(1), by striking ''$20,000'' and inserting ''$35,000'';

(2) in subsection (c), by striking ''1998'' and inserting ''2002''; and

(3) by adding at the end the following:

''(d) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated for a fiscal year for contracts under subsection (a) shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.''.

SEC. 407. COMMUNITY PROGRAMS ON DOMESTIC VIOLENCE.

(a) IN GENERAL.—Section 318(h)(2) of the Family Violence Prevention and Services Act (42 U.S.C. 10418(h)(2)) is amended by striking ''fiscal year 1997'' and inserting ''for each of the fiscal years 1997 through 2002''.

(b) STUDY.—The Secretary of Health and Human Services shall request that the Institute of Medicine conduct a study concerning the training needs of health professionals with respect to the detection and referral of victims of family or acquaintance violence. Not later than 2 years after the date of enactment of this Act, the Institute of Medicine shall prepare and submit to Congress a report concerning the study conducted under this subsection.

SEC. 408. STATE LOAN REPAYMENT PROGRAM.

Section 338I(i)(1) of the Public Health Service Act (42 U.S.C. 254q–1(i)(1)) is amended by inserting before the period '', and such sums as may be necessary for each of the fiscal years 1998 through 2002''.

SEC. 409. AUTHORITY OF THE DIRECTOR OF NIH.

Section 402(b) of the Public Health Service Act (42 U.S.C. 282(b)) is amended—

(1) in paragraph (11), by striking ''and'' at the end thereof;

(2) in paragraph (12), by striking the period and inserting a semicolon; and

(3) by adding after paragraph (12), the following new paragraphs:

''(13) may conduct and support research training—

''(A) for which fellowship support is not provided under section 487; and

''(B) which does not consist of residency training of physicians or other health professionals; and

''(14) may appoint physicians, dentists, and other health care professionals, subject to the provisions of title 5, United States Code, relating to appointments and classifications in the competitive service, and may compensate such professionals subject to the provisions of chapter 74 of title 38, United States Code.''.

SEC. 410. RAISE IN MAXIMUM LEVEL OF LOAN REPAYMENTS.

(a) REPAYMENT PROGRAMS WITH RESPECT TO AIDS.—Section 487A of the Public Health Service Act (42 U.S.C. 288–1) is amended—

(1) in subsection (a), by striking ''$20,000'' and inserting ''$35,000''; and

(2) in subsection (c), by striking ''1996'' and inserting ''2001''.

(b) REPAYMENT PROGRAMS WITH RESPECT TO CONTRACEPTION AND INFERTILITY.—Section 487B(a) of the Public Health Service Act (42 U.S.C. 288–2(a)) is amended by striking ''$20,000'' and inserting ''$35,000''.

(c) REPAYMENT PROGRAMS WITH RESPECT TO RESEARCH GENERALLY.—Section 487C(a)(1) of the Public Health Service Act (42 U.S.C. 288–3(a)(1)) is amended by striking ''$20,000'' and inserting ''$35,000''.

(d) REPAYMENT PROGRAMS WITH RESPECT TO CLINICAL RESEARCHERS FROM DISADVANTAGED BACKGROUNDS.—Section 487E(a) of the Public Health Service Act (42 U.S.C. 288–5(a)) is amended—

(1) in paragraph (1), by striking ''$20,000'' and inserting ''$35,000''; and

(2) in paragraph (3), by striking ''338C'' and inserting ''338B, 338C''.

SEC. 411. CONSTRUCTION OF REGIONAL CENTERS FOR RESEARCH ON PRIMATES.

Section 481B(a) of the Public Health Service Act (42 U.S.C. 287a–3(a)) is amended—

(1) by striking ''shall'' and inserting ''may''; and

(2) by striking ''$5,000,000'' and inserting ''up to $2,500,000''.

SEC. 412. PEER REVIEW.

Section 504(d)(2) of the Public Health Service Act (42 U.S.C. 290aa–3(d)(2)) is amended by striking ''cooperative agreement, or contract'' each place that such appears and inserting ''or cooperative agreement''.

SEC. 413. FUNDING FOR TRAUMA CARE.

Section 1232(a) of the Public Health Service Act (42 U.S.C. 300d–32) is amended by striking ''and 1996'' and inserting ''through 2002''.

SEC. 414. HEALTH INFORMATION AND HEALTH PROMOTION.

Section 1701(b) of the Public Health Service Act (42 U.S.C. 300u(b)) is amended by striking ''through 1996'' and inserting ''through 2002''.

SEC. 415. EMERGENCY MEDICAL SERVICES FOR CHILDREN.

Section 1910 of the Public Health Service Act (42 U.S.C. 300w–9) is amended—

(1) in subsection (a)—

(A) by striking ''two-year period'' and inserting ''3-year period (with an optional 4th year based on performance)''; and

(B) by striking ''one grant'' and inserting ''3 grants''; and

(2) in subsection (d), by striking ''1997'' and inserting ''2005''.

SEC. 416. ADMINISTRATION OF CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Section 2004 of Public Law 103–43 (107 Stat. 209) is amended by striking subsection (a).

(b) CONFORMING AMENDMENTS.—Section 2004 of Public Law 103–43, as amended by subsection (a) of this section, is amended—

(1) by striking ''(b) SENSE'' and all that follows through ''In the case'' and inserting the following:

''(a) SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case'';

(2) by striking ''(2) NOTICE TO RECIPIENTS OF ASSISTANCE'' and inserting the following:

''(b) NOTICE TO RECIPIENTS OF ASSISTANCE''; and

(3) in subsection (b), as redesignated by paragraph (2) of this subsection, by striking ''paragraph (1)'' and inserting ''subsection (a)''.

(c) EFFECTIVE DATE.—This section is deemed to have taken effect immediately after the enactment of Public Law 103–43.

SEC. 417. AIDS DRUG ASSISTANCE PROGRAM.

Section 2618(b)(3) of the Public Health Service Act (42 U.S.C. 300ff–28(b)(3)) is amended—

(1) in subparagraph (A), by striking ''and the Commonwealth of Puerto Rico'' and inserting '', the Commonwealth of Puerto Rico, the Virgin Islands, and Guam''; and

(2) in subparagraph (B), by striking ''the Virgin Islands, Guam''.

SEC. 418. NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH.

Part I of title IV of the Public Health Service Act (42 U.S.C. 290b et seq.) is amended—

(1) by striking the part heading and inserting the following:

''PART I—FOUNDATION FOR THE NATIONAL INSTITUTES OF HEALTH'';

and

(2) in section 499—

(A) in subsection (a), by striking ''National Foundation for Biomedical Research'' and inserting ''Foundation for the National Institutes of Health'';

(B) in subsection (k)(10)—

(i) by striking ''not''; and

(ii) by adding at the end the following: ''Any funds transferred under this paragraph shall be subject to all Federal limitations relating to Federally-funded research.''; and

(C) in subsection (m)(1), by striking ''$200,000'' and all that follows through ''1995'' and inserting ''$500,000 for each fiscal year''.

SEC. 419. FETAL ALCOHOL SYNDROME PREVENTION AND SERVICES.

(a) SHORT TITLE.—This section may be cited as the ''Fetal Alcohol Syndrome and Fetal Alcohol Effect Prevention and Services Act''.

(b) FINDINGS.—Congress finds that—

(1) Fetal Alcohol Syndrome is the leading preventable cause of mental retardation, and it is 100 percent preventable;

(2) estimates on the number of children each year vary, but according to some researchers, up to 12,000 infants are born in the United States with Fetal Alcohol Syndrome, suffering irreversible physical and mental damage;

(3) thousands more infants are born each year with Fetal Alcohol Effect, also known as Alcohol Related Neurobehavioral Disorder (ARND), a related and equally tragic syndrome;

(4) children of women who use alcohol while pregnant have a significantly higher infant mortality rate (13.3 per 1000) than children of those women who do not use alcohol (8.6 per 1000);

(5) Fetal Alcohol Syndrome and Fetal Alcohol Effect are national problems which can impact any child, family, or community, but their threat to American Indians and Alaska Natives is especially alarming;

(6) in some American Indian communities, where alcohol dependency rates reach 50 percent and above, the chances of a newborn suffering Fetal Alcohol Syndrome or Fetal Alcohol Effect are up to 30 times greater than national averages;

(7) in addition to the immeasurable toll on children and their families, Fetal Alcohol Syndrome and Fetal Alcohol Effect pose extraordinary financial costs to the Nation, including the costs of health care, education, foster care, job training, and general support services for affected individuals;

(8) the total cost to the economy of Fetal Alcohol Syndrome was approximately $2,500,000,000 in 1995, and over a lifetime, health care costs for one Fetal Alcohol Syndrome child are estimated to be at least $1,400,000;

(9) researchers have determined that the possibility of giving birth to a baby with Fetal Alcohol Syndrome or Fetal Alcohol Effect increases in proportion to the amount and frequency of alcohol consumed by a pregnant woman, and that stopping alcohol consumption at any point in the pregnancy reduces the emotional, physical, and mental consequences of alcohol exposure to the baby; and

(10) though approximately 1 out of every 5 pregnant women drink alcohol during their pregnancy, we know of no safe dose of alcohol during pregnancy, or of any safe time to drink during pregnancy, thus, it is in the best interest of the Nation for the Federal Government to take an active role in encouraging all women to abstain from alcohol consumption during pregnancy.

(c) PURPOSE.—It is the purpose of this section to establish, within the Department of Health and Human Services, a comprehensive program to help prevent Fetal Alcohol Syndrome and Fetal Alcohol Effect nationwide and to provide effective intervention programs and services for children, adolescents and adults already affected by these conditions. Such program shall—

(1) coordinate, support, and conduct national, State, and community-based public awareness, prevention, and education programs on Fetal Alcohol Syndrome and Fetal Alcohol Effect;

(2) coordinate, support, and conduct prevention and intervention studies as well as epidemiologic research concerning Fetal Alcohol Syndrome and Fetal Alcohol Effect;

(3) coordinate, support and conduct research and demonstration projects to develop effective developmental and behavioral interventions and programs that foster effective advocacy, educational and vocational training, appropriate therapies, counseling, medical and mental health, and other supportive services, as well as models that integrate or coordinate such services, aimed at the unique challenges facing individuals with Fetal Alcohol Syndrome or Fetal Alcohol Effect and their families; and

(4) foster coordination among all Federal, State and local agencies, and promote partnerships between research institutions and communities that conduct or support Fetal Alcohol Syndrome and Fetal Alcohol Effect research, programs, surveillance, prevention, and interventions and otherwise meet the general needs of populations already affected or at risk of being impacted by Fetal Alcohol Syndrome and Fetal Alcohol Effect.

(d) ESTABLISHMENT OF PROGRAM.—Title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by adding at the end the following:

"PART O—FETAL ALCOHOL SYNDROME PREVENTION AND SERVICES PROGRAM

"SEC. 399G. ESTABLISHMENT OF FETAL ALCOHOL SYNDROME PREVENTION AND SERVICES PROGRAM.

''(a) FETAL ALCOHOL SYNDROME PREVENTION, INTERVENTION AND SERVICES DELIVERY PROGRAM.—The Secretary shall establish a comprehensive Fetal Alcohol Syndrome and Fetal Alcohol Effect prevention, intervention and services delivery program that shall include—

''(1) an education and public awareness program to support, conduct, and evaluate the effectiveness of—

''(A) educational programs targeting medical schools, social and other supportive services, educators and counselors and other service providers in all phases of childhood development, and other relevant service providers, concerning the prevention, identification, and provision of services for children, adolescents and adults with Fetal Alcohol Syndrome and Fetal Alcohol Effect;

''(B) strategies to educate school-age children, including pregnant and high risk youth, concerning Fetal Alcohol Syndrome and Fetal Alcohol Effect;

''(C) public and community awareness programs concerning Fetal Alcohol Syndrome and Fetal Alcohol Effect; and

''(D) strategies to coordinate information and services across affected community agencies, including agencies providing social services such as foster care, adoption, and social work, medical and mental health services, and agencies involved in education, vocational training and civil and criminal justice;

''(2) a prevention and diagnosis program to support clinical studies, demonstrations and other research as appropriate to—

''(A) develop appropriate medical diagnostic methods for identifying Fetal Alcohol Syndrome and Fetal Alcohol Effect; and

''(B) develop effective prevention services and interventions for pregnant, alcohol-dependent women; and

''(3) an applied research program concerning intervention and prevention to support and conduct service demonstration projects, clinical studies and other research models providing advocacy, educational and vocational training, counseling, medical and mental health, and other supportive services, as well as models that integrate and coordinate such services, that are aimed at the unique challenges facing individuals with Fetal Alcohol Syndrome or Fetal Alcohol Effect and their families.

''(b) GRANTS AND TECHNICAL ASSISTANCE.—The Secretary may award grants, cooperative agreements and contracts and provide technical assistance to eligible entities described in section 399H to carry out subsection (a).

''(c) DISSEMINATION OF CRITERIA.—In carrying out this section, the Secretary shall develop a procedure for disseminating the Fetal Alcohol Syndrome and Fetal Alcohol Effect diagnostic criteria developed pursuant to section 705 of the ADAMHA Reorganization Act (42 U.S.C. 485n note) to health care providers, educators, social workers, child welfare workers, and other individuals.

''(d) NATIONAL TASK FORCE.—

''(1) IN GENERAL.—The Secretary shall establish a task force to be known as the National task force on Fetal Alcohol Syndrome and Fetal Alcohol Effect (referred to in this subsection as the 'task force') to foster coordination among all governmental agencies, academic bodies and community groups that conduct or support Fetal Alcohol Syndrome and Fetal Alcohol Effect research, programs, and surveillance, and otherwise meet the general needs of populations actually or potentially impacted by Fetal Alcohol Syndrome and Fetal Alcohol Effect.

''(2) MEMBERSHIP.—The Task Force established pursuant to paragraph (1) shall—

''(A) be chaired by an individual to be appointed by the Secretary and staffed by the Administration; and

''(B) include the Chairperson of the Interagency Coordinating Committee on Fetal Alcohol Syndrome of the Department of Health and Human Services, individuals with Fetal Alcohol Syndrome and Fetal Alcohol Effect, and representatives from advocacy and research organization such as the Research Society on Alcoholism, the FAS Family Resource Institute, the National Organization of Fetal Alcohol Syndrome, the Arc, the academic community, and Federal, State and local government agencies and offices.

''(3) FUNCTIONS.—The Task Force shall—

''(A) advise Federal, State and local programs and research concerning Fetal Alcohol Syndrome and Fetal Alcohol Effect, including programs and research concerning education and public awareness for relevant service providers, school-age children, women at-risk, and the general public, medical diagnosis, interventions for women at-risk of giving birth to children with Fetal Alcohol Syndrome and Fetal Alcohol Effect, and beneficial services for individuals with Fetal Alcohol Syndrome and Fetal Alcohol Effect and their families;

''(B) coordinate its efforts with the Interagency Coordinating Committee on Fetal Alcohol Syndrome of the Department of Health and Human Services; and

''(C) report on a biennial basis to the Secretary and relevant committees of Congress on the current and planned activities of the participating agencies.

''(4) TIME FOR APPOINTMENT.—The members of the Task Force shall be appointed by the Secretary not later than 6 months after the date of enactment of this part.

"SEC. 399H. ELIGIBILITY.

''To be eligible to receive a grant, or enter into a cooperative agreement or contract under this part, an entity shall—

''(1) be a State, Indian tribal government, local government, scientific or academic institution, or nonprofit organization; and

''(2) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may prescribe, including a description of the activities that the entity intends to carry out using amounts received under this part.

"SEC. 399I. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this part, $27,000,000 for each of the fiscal years 1999 through 2003.

''(b) TASK FORCE.—From amounts appropriate for a fiscal year under subsection (a), the Secretary may use not to exceed $2,000,000 of such amounts for the operations

of the National Task Force under section 399G(d).

"SEC. 399J. SUNSET PROVISION.

''This part shall not apply on the date that is 7 years after the date on which all members of the national task force have been appointed under section 399G(d)(1).''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. BLILEY) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, S. 1754.

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

There was no objection.

Mr. BLILEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise today to urge support for S. 1754, the Health Professions Education Partnerships Act of 1998. This bill is the result of 2 years collaboration between the House and Senate, the administration and health professions groups nationwide. The result is the reauthorization bill that I believe will do much to advance health care education in America.

Mr. Speaker, the act strengthens our programs to train future doctors, nurses and other care givers by consolidating existing programs into clusters. Where today we have 44 different Federal health profession training programs, this act creates 7 general and flexible categories of authority. Just as important, it places important emphasis on the training of health practitioners for the rural and underserved areas which most need them.

Again, Mr. Speaker, I would like to commend all those in the House and Senate who have worked so hard on this bill. In particular, I would like to thank my colleague, the gentleman from Michigan (Mr. DINGELL), for his help in resolving concerns with the Senate passed bill.

Mr. Speaker, I urge passage of S. 1754.

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

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 1754, as amended by the manager's amendment. This bill is a long overdue reauthorization of the health professions programs contained in titles VII and VIII of the Public Health Service Act. These programs touch almost the entire range of health professions including nurses, physicians and others who make up our health care work force.

This legislation does much more than simply reauthorize these programs. It also significantly modifies them.

The basic nature of these changes to the existing structure of titles VII and VIII is to provide flexibility to meet changing needs in the health care work force. The Health Resources and Services Administration part of the Department of Health and Human Services administers these programs at the federal level and supports this legislation.

The three basic elements of the health professions programs are to increase the number of primary care professionals, one; second, increase the racial and ethnic diversity of the health care work force; and third, to provide access to health care to underserved in rural areas. The bill recognizes that these goals are as complex as they are worthy. The bill also recognizes that resources for health professions, education and training are scarce.

The list of organizations that support this legislation is so long that in naming them I risk leaving them out. These include the American Nurses Association, the American Academy of Family Physicians, the American Academy of Pediatrics, the American College of Physicians, the American Association of Colleges of Osteopathic Medicine, the Association of Minority Health Profession Schools, the Association of American Medical Colleges, the American Geriatric Society, the Association of Colleges of Pharmacy, the American Public Health Association, the American Psychological Association, the American Mental Health Counselors, the Working Group on Hispanic Health Education, the National Association of Geriatric Education Centers, the Area Health Education Centers, the American Dental Association, the National Association of Social Workers, the American Association of Colleges of Nursing, the American Organization of Nurse Executives and the National League of Nursing among others.

I am pleased to note, Mr. Speaker, that the organizations I just mentioned supported the bill when it passed the Senate and continue to support it now with the manager's amendment. New additions to the list of supporters of the bill because of the manager's amendment are the American Academy of Nurse Practitioners, the American College of Nurse Midwives, the National Association of Pediatric Nurse Associates and Practitioners and the Association of Nurse Anesthetists. These are key participants in this country's primary care nursing workforce.

As many of us know, the bill which passed the Senate did not have the support of some of these groups. The manager's amendment represents a consensus among nursing professions and is a remarkable achievement made possible first of all by all of the title VIII stakeholders.

□ 1445

They participated in a process that brought us to this day, and I want to thank each of them for their tireless effort and cooperative spirit and dedication to resolving these difficult issues.

This achievement also could not have been possible without a true bipartisan effort among my colleagues. I know that Members from both sides of the aisle played key roles in the negotiations that I just described. I want to pay special tribute to the work of my friend and colleague and the chairman of the Subcommittee on Health and Environment, the gentleman from Florida (Mr. BILIRAKIS), as well as the gentleman from Virginia (Chairman BLILEY). Many other Members from the chairman's side of the aisle helped to develop this bill, and I will leave it to the chairman to recognize them.

On this side of the aisle, let me begin by saying we would not be here today without the participation and leadership of my colleague, the gentleman from New York (Mr. TOWNS). It is as simple as that. My colleagues the gentleman from California (Mr. WAXMAN), the gentlewoman from Colorado (Ms. DEGETTE), and, as always, the gentleman from Michigan (Mr. DINGELL), did great work also to get this bill for us today.

I also want to recognize the fine efforts of staff on both sides of the aisle, Brenda Pillors, Paul Kim, Libby Mullin, Kevin Brennan and John Ford. Todd Tuten and Eric Berger did outstanding work on behalf of the majority, and I thank them as well.

I know our schedule is hectic and many of my colleagues would like to speak on this bill, so I will reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield three minutes to the gentleman from Florida (Mr. BILIRAKIS), the very able chairman of the subcommittee.

Mr. BILIRAKIS. Mr. Speaker, this important legislation will improve the supply and distribution of health professionals nationwide. It also focuses, as has been so ably explained already, much needed attention on the training of caregivers for our Nation's underserved communities.

For three decades the Public Health Service Act has played an important role in funding the training of America's health professionals. As chairman of the Subcommittee on Health and Environment of the Committee on Commerce, I am proud of our bipartisan efforts in support of these very critical education programs. The challenge we face today is ensuring that the providers we train are prepared to meet the diverse needs of America's many different communities, and that is why this act replaces line items with clusters, as the gentleman from Virginia (Mr. BLILEY) has already explained, to better match resources with needs.

This has not been an easy outcome to achieve. I would like to take a moment to thank all of those who have dedicated their time and energy to help us get here today. In particular I would like to commend the members of America's nursing community. After bringing concerns they had, and, God knows they did have concerns, with the

Senate-passed bill to our attention, the community as a whole worked together to help us reach consensus.

S. 1754, as amended, represents that consensus, Mr. Speaker, and, again, I am grateful for their efforts and, of course, those of the gentleman from Virginia (Chairman BLILEY), the gentleman from Michigan (Mr. DINGELL) and the gentleman from Ohio (Mr. BROWN), and I also want to acknowledge, as the gentleman from Ohio (Mr. BROWN) was so very kind to do, the hard work of our committee staffs on both sides of the aisle working in a bipartisan basis. They were able to draft language that enjoys the support of the entire public health community.

I urge passage of S. 1754, as amended.

Mr. BROWN of Ohio. Mr. Speaker, I yield two minutes to the gentleman from Michigan (Mr. DINGELL).

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, I thank the distinguished gentleman from Ohio for yielding me time.

Mr. Speaker, this is a good bill. It has been produced by the bipartisan efforts of Members on both sides of the aisle.

I want to commend my colleagues, the gentleman from New York (Mr. TOWNS), the gentleman from Ohio (Mr. BROWN), the gentleman from California (Mr. WAXMAN), the gentlewoman from Colorado (Ms. DEGETTE) and the gentlewoman from the Virgin Islands (Ms. CHRISTIAN-GREEN).

In looking across the aisle, I want to express my admiration for the fine leadership of the gentleman from Virginia (Chairman BLILEY) and the gentleman from Florida (Chairman BILIRAKIS), and also the staffs on both sides of the aisle. In acknowledging my colleagues, I must pay tribute to the staffs of all of the Members above and of the full committee and of the minority, and also to Brenda Pillors of the staff of the gentleman from New York (Mr. TOWNS). Her work on this matter was extraordinary, as was the work of John Ford of the staff of the minority.

Mr. Speaker, this bill reforms what had been previously a good bill, but not one which was good enough. It ignored a large number of people in the health care professions, particularly the nurses, whose work merits the highest respect and the greatest attention. Happily, the labors of Members on this side of the Capitol have corrected the faults of the Senate bill, and we have here a bill which all of my colleagues can support. I do again want to pay tribute to those who have made this success possible.

Mr. BROWN of Ohio. Mr. Speaker, I yield four minutes to the gentleman from New York (Mr. TOWNS), who worked so hard on this bill.

Mr. TOWNS. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, let me begin by thanking the chairman of the full committee, the gentleman from Virginia (Mr. BLILEY), for the outstanding leadership, and, of course, the chairman of the Subcommittee on Health and Environment, the gentleman from Florida (Mr. BILIRAKIS), for his outstanding leadership.

On this side of the aisle let me thank the ranking member, the gentleman from Michigan (Mr. DINGELL), for his hard work in making this a reality, and, of course, the ranking member of the subcommittee, my good friend and a person that has worked very hard as well, the gentleman from Ohio (Mr. BROWN), for making it possible for us to be here at this point and time.

The work of the committee and staff as well, I should recognize that on both sides of the aisle, was vital in terms of bringing us to this point in time as well. I would like to thank Mr. Eric Berger, and, of course, John Ford, and, of course, Brenda Pillors of my staff, for their work to improve this bill.

I want to express my support for the hold-harmless provision to protect the nurse practitioners and nurse midwives funding levels until a primary health care work study is implemented.

Let me commend the nursing community for their efforts to develop a workable solution. They stayed there and they continued to have dialogue and to have discussions to make it possible for us to come together to have something that we all could sort of support and begin to work with.

The nursing practitioners and nurse midwives who provide primary care services and practice in underserved areas have a proven track record in meeting the goals of this legislation.

This funding will continue until a study incorporating key factors as part of its methodology can be done to provide data that will assist HHS in making further funding decisions. This is so important, because we want to make certain that we have the kind of information that we need in order to move forward.

The House Committee on Commerce and the Senate Labor and Human Resources Committee will receive reports from the department about the study, and that will come back to us and then we will have that information as well. We are hopeful that such a study will help us identify Federal health professional education priorities, which is needed and needed desperately.

Additionally I am pleased that S. 1754, as amended, does not supersede years of state legislative efforts to establish a new Federal definition for advanced practice nurses. This is something that a lot of people are concerned with, and, of course, as a result of the hard work we were able to resolve that issue as well.

The changes by the Committee on Commerce ensures that we will not interfere with how nursing is treated at the state level or in the private sector. This will not interfere with that in any way.

Mr. Speaker, I urge my colleagues to support this legislation. It is not perfect legislation, but, I will tell you, it is legislation that has taken a giant step in the right direction. This bill will go a long way towards improving health professional education and making certain that the programs will meet the kind of needs and be able to meet the needs of those in underserved areas as well.

Mr. Speaker, I ask that we move forward, and ask my colleagues on both sides of the aisle to support this legislation, and also to recognize the hard work that has gone on on both sides of the aisle among both Democrats and Republicans.

Mr. BROWN of Ohio. Mr. Speaker, I yield three minutes to the gentlewoman from Oregon (Ms. FURSE).

Ms. FURSE. Mr. Speaker, I rise today in support of S. 1754, the Health Professional Educational Partnership Act, and I really want to thank the people I worked with on this. This has been a wonderful coordination and a bipartisan effort. The gentleman from Virginia (Chairman BLILEY) and the gentleman from Florida (Chairman BILRAKIS) have been so helpful to us, and the ranking member, the gentleman from Michigan (Mr. DINGELL) and the gentleman from Ohio (Mr. BROWN). So this has been something that we have had a good feeling about.

The Health Professional Education Partnership Act will reauthorize for five years the health profession education programs which provide medical training to thousands of health care providers each year. A wonderful university in my district, Oregon Health Sciences University, is very supportive of this.

I also want to thank the nurses and nurse practitioners who brought this so much to our attention. I am also very pleased that section 407 of this legislation reauthorizes until 2002 the Center for Disease Control's Coordinated Community Responses to Prevent Intimate Partner Violence Program. This is a program which, along with Senator Mark Hatfield of Oregon, I cosponsored and coauthored in the 1994 crime bill. What it does is it better coordinates a community response to domestic violence. It provides grants to communities that prepare a comprehensive strategy to deal with domestic violence, incorporating the efforts of local nonprofit organizations, businesses, social service agencies, law enforcement and the courts.

Too often in the past different organizations all working on the same goal of trying to reduce domestic violence had really little or no knowledge of what their colleagues were doing. What this bill does is it pulls together those coordinated programs, and we know that preventing and effectively addressing domestic violence can only occur when communities work together.

The Health Professions Education Partnership Act is a very good bill, and I want to thank my colleagues for their fine work on this legislation.

I urge the House to pass S. 1754.

Mr. BROWN of Ohio. Mr. Speaker, I yield two minutes to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise to offer support for this bill and speak on its behalf, and I want to express my appreciation to the leaders of both committees on both sides of the aisle.

The Nurse Education Act was last reauthorized, of course, in 1992, and Congress has worked very hard since 1994 to get it reauthorized. So I am delighted that we have come to this point.

This bill has a very noble goal, to expand access to health care in rural and underserved areas, while increasing the number of minorities who are trained as primary health care professionals. I have had dental school as well as medical school representatives come into my office expressing dismay that we do not have as many minorities going into the health care professions as we did in the past, and it is causing, especially in my home state, a great lack of health care professionals in the neediest areas, especially in our border areas where we are heavily populated with Hispanic persons, and we are trying very hard to attract persons that are bilingual in order to service this population.

I am also pleased that the bill restructures Title 8 of the Health Professionals Training Act to allow for more efficient, flexible and comprehensive Federal financial support for nursing workforce development.

Under the current authorization, there were so many different categories, and this bill simply consolidates them into three areas of authority, the advanced practice nursing education and training programs, programs to increase nursing workforce diversity, and projects to strengthen the capacity of basic nursing education.

□ 1500

I, too, express my appreciation for the manager's amendment to this bill, which contains a hold harmless provision that assures current funding levels for the current authorizations until such time that HHS has developed the methodology for a new streamlined financing process. Mr. Speaker, I support the bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the gentleman for yielding time to me.

Mr. Speaker, I rise today to support the reauthorization of this important program. The ongoing debate on national health care has focused largely on the problems of access, costs, and quality. These issues, however, cannot be addressed without dealing with the need to train qualified health providers and insure that underserved rural and inner city communities have the professional resources which they so greatly need.

The reauthorization of this program insures that minorities from disadvantaged backgrounds would have an opportunity to fulfill their dreams and desires of becoming health care professionals.

Currently, African Americans make up 12 percent of the population, but only 2 to 3 percent of the Nation's health professionals workforce. Likewise, Hispanic Americans make up 9 percent of the population, but only 5 percent of the physicians and 3 percent of the dentists.

The underrepresentation of minorities in the health care profession has reduced access to our Nation's needy citizens. This bill seeks to increase the number of health care professionals in shortage areas, and increase the number of minorities in health care. It is a good bill. I urge my colleagues to support it.

Ms. DEGETTE. Mr. Speaker, I rise in strong support of S. 1754, the Health Professions Reauthorization Act of 1998. I deeply appreciate the efforts of the gentleman from Florida, Chairman BILIRAKIS, of the House Commerce Subcommittee on Health and Environment and the gentleman from Michigan, Mr. DINGELL, the ranking Democratic member of the House Commerce Committee. They have worked innumerable hours to reach a consensus on this legislation and to bring it to the floor today.

In particular, I wish to thank my colleagues for their leadership and support in securing much needed changes in Title VIII, the Nursing Education Act provisions. One of the most important improvements which my colleagues and I on the subcommittee fought so aggressively for was to restore the meaning of an Advance Practice Nursing Degree. Prior to our changes, the Senate bill, for the first time ever, would have established a federal definition of Advanced Practice Nurses which would put clinical nurse specialists, nurse anesthetists, nurse-midwives, and nurse practitioners into the same category as non-clinicians.

This would not only have set a bad precedent but also have broad implications for the future of nurse education funding and advanced practice nursing at the state level and in the private sector. For instance, in my own state of Colorado, we fought very hard to preserve the meaning of an advanced practice nursing degree. It would be dangerous of us to mislead the public into believing that all nurses with a degree beyond the baccalaureate level are equivalent and have clinical training.

I am also pleased by the inclusion of a ''hold harmless'' provision to protect nurse practitioner and nurse midwife funding levels. S. 1754 as passed in the Senate, consolidated funding for nurse education and eliminates specific funding line authority for nurse practitioners. This would have jeopardized the ability of nurse practitioners to continue providing primary care services in underserved rural areas and inner cities.

I urge the Health Resources and Services Administration to give special recognition to nurse practitioners who provide primary care when it develops the new health care workforce study for nurses.

Mr. Speaker, I am proud to join my colleagues in urging swift passage of this vital professional education program.

Mr. PALLONE. Mr. Speaker, I rise in support of S. 1754, the Health Professions Education Act. This legislation provides badly needed resources to a range of health professional educators and I am very pleased that the concerns voiced by every Democrat on the Commerce Committee's Health and Environment Subcommittee were addressed.

The Health Professions Education Partnerships Act has three main objectives. The first is to assure that health professions are generating primary care providers. The second is to ensure there is diversity in the health professions workforce. And the third is to provide adequate services to medically under-served areas. All of these are extremely important objectives for very obvious reasons, and I would urge all of my colleagues to support this bill so it can be sent to the president as soon as possible for his signature. It is important to patients and health educators all across this country and my home state, including the University of Medicine and Dentistry of New Jersey, which has facilities in my district.

Importantly, as I mentioned earlier, the bill before us today addresses the concerns that every Democratic member of the Health and Environment Subcommittee had with the version of this legislation passed by the other body. That version expanded the definition of Advance Practice Nurses in a manner that could have jeopardized the resources available to train nurse practitioners who provide primary care. It also would have discounted the importance of the extensive education and training that nurse practitioners receive in preparation for their careers, a step I believe would have been unfair and ill-advised.

Democrats on the Health and Environment Subcommittee communicated their concerns to Chairman BILIRAKIS about the definition in the Senate passed version of the bill. Accordingly, the version we are considering today changed the language of the bill to include an appropriate definition of Advanced Nurse Practitioners, and I commend the Chairman for working with us to change the language.

I would also like to commend the Chairman for working with us to address our concerns about the new manner in which funding will be distributed to the various health professions programs, an issue we also raised in our letter. The other body's version of this bill block granted funding for health professions education programs. The proposed block granting gave rise to the same concern we had with the definition of Advance Nurse Practitioners—namely, that the change might lead to a lack of resources for the training of primary care practitioners.

To the Chairman's credit, the bill before us today includes a transition rule, which allows for a change from line items to a data driven methodology for health resources that matches the needs of the workforce. Importantly, the bill includes a ''hold harmless'' provision for Advance Nurse Practitioners. This ''hold harmless'' will ensure adequate resources will be available for training primary

care nurses in the years to come, and I appreciate the Chairman's willingness to work with us to get this in the bill.

Again, this is a very important piece of legislation, Mr. Speaker. It is widely supported by Members of Congress in both chambers, and by the health professions groups who fall under its jurisdiction. I urge all of my colleagues to support its passage.

Mr. BROWN of Ohio. Mr. Speaker, I ask for support of the bill, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and pass the Senate bill, S. 1754, as amended.

The question was taken.

Mr. BROWN of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

PERSONAL EXPLANATION

Mr. SKAGGS (during debate on agreeing to the conference report to S. 1260). Mr. Speaker, I wanted for the RECORD to note my slight regret for having been absent from the proceedings of the House yesterday as I attended my dear mother's 80th birthday celebration in Kentucky.

As a result, I missed rollcall votes Nos. 521, on which I would have voted aye had I been present, 522, on which I would have voted no, and 523, on which I would have voted no.

CONFERENCE REPORT ON S. 1260, SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1998

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and agree to the conference report on the Senate bill (S. 1260) to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes.

The Clerk read the title of the Senate bill.

(For conference report and statement, see Proceedings of the House of Friday, October 9, 1998, at page H10266.)

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. BLILEY) and the gentleman from Michigan (Mr. DINGELL) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. Mr. Speaker, I yield myself 5 minutes.

(Mr. BLILEY asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. BLILEY. Mr. Speaker, I rise in support of the conference report on the Senate bill, S. 1260, Securities Litigation Uniform Standards Act of 1998. This legislation we are considering today will eliminate State court as a venue for meritless securities litigation.

This legislation has broad bipartisan support. We recognize that the trial bar should not make an end run around the work we did in 1995 in overriding the President's veto of litigation reform in State court. This legislation will protect investors from baseless securities class action lawsuits in the capital markets.

The premise of this legislation is simple: lawsuits alleging violations that involve securities that are offered nationally belong in Federal court. This premise is consistent with the national nature of these markets that we recognize in the National Securities Market Improvement Act of 1995.

The legislative history accompanying the legislation makes clear that we are not disturbing the heightened pleading standard established by the 1995 Act.

The economic disruptions around the globe are reflected by the volatility that affects our markets. Stock prices are up one day, down the next. The prices are not falling due to fraudulent statements, which are the purported basis of many strike suits. The fall is due to economic conditions.

If there is intentional fraud, there is nothing in this legislation or in the Reform Act to prevent those cases from proceeding. We do not need to exacerbate market downturns by allowing companies to be dragged into court every time their stock price falls. The 1995 Reform Act remedied that problem for Federal courts, and this legislation will remedy it for State courts.

I would like to thank the gentleman from Ohio (Mr. OXLEY), the chairman of the Subcommittee on Finance and Hazardous Materials, for his hard work and leadership. I thank the gentleman from Michigan (Mr. JOHN DINGELL), the ranking member of the committee, for his constructive participation as we move the bill through committee.

I commend the gentleman from New York (Mr. TOM MANTON), the ranking member of the subcommittee, not only for his work on this legislation, but his valued service on the committee. It has been a pleasure working with him, and he will be missed.

I also commend the gentleman from Washington (Mr. RICK WHITE), the original cosponsor of the legislation, for his tireless efforts and willingness to compromise that has kept this legislation on track to becoming law.

Likewise, the gentlewoman from California (Ms. ANNA ESHOO) has been a leading proponent of this legislation, and has worked to ensure its passage, and certainly the gentleman from California (Mr. COX), the chairman of the Republican policy committee who has been working on this issue for many years.

Finally, I also commend our colleagues in the other body for their work on this important legislation. Mr. Speaker, I urge my colleagues to join me and support S. 1260.

Mr. Speaker, I ask unanimous consent to include for the RECORD a complete copy of the conference report on S. 1260.

When the conference report was filed in the House, a page from the statement of managers was inadvertently omitted. That page was included in the copy filed in the Senate, reflecting the agreement of the managers. We are considering today the entire report and statement of managers as agreed to by conferees and inserted in the RECORD.

The SPEAKER pro tempore. Since the Chair is aware that the papers filed in the Senate contain that matter as part of the joint statement, its omission from the joint statement filed in the House can be corrected by a unanimous consent request.

Is there objection to the request of the gentleman from Virginia?

There was no objection.

The text of the Conference Report on S. 1260 is as follows:

CONFERENCE REPORT (H. REPT. 105–803)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1260), to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Securities Litigation Uniform Standards Act of 1998''.

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Private Securities Litigation Reform Act of 1995 sought to prevent abuses in private securities fraud lawsuits;

(2) since enactment of that legislation, considerable evidence has been presented to Congress that a number of securities class action lawsuits have shifted from Federal to State courts;

(3) this shift has prevented that Act from fully achieving its objectives;

(4) State securities regulation is of continuing importance, together with Federal regulation of securities, to protect investors and promote strong financial markets; and

(5) in order to prevent certain State private securities class action lawsuits alleging fraud from being used to frustrate the objectives of the Private Securities Litigation Reform Act of 1995, it is appropriate to enact national standards for securities class action lawsuits involving nationally traded securities, while preserving the appropriate enforcement powers of State securities regulators and not changing the current treatment of individual lawsuits.

TITLE I—SECURITIES LITIGATION UNIFORM STANDARDS

SEC. 101. LIMITATION ON REMEDIES.

(a) AMENDMENTS TO THE SECURITIES ACT OF 1933.—

(1) AMENDMENT.—Section 16 of the Securities Act of 1933 (15 U.S.C. 77p) is amended to read as follows:

''SEC. 16. ADDITIONAL REMEDIES; LIMITATION ON REMEDIES.

''(a) REMEDIES ADDITIONAL.—Except as provided in subsection (b), the rights and remedies provided by this title shall be in addition to any and all other rights and remedies that may exist at law or in equity.

''(b) CLASS ACTION LIMITATIONS.—No covered class action based upon the statutory or common law of any State or subdivision thereof may be maintained in any State or Federal court by any private party alleging—

''(1) an untrue statement or omission of a material fact in connection with the purchase or sale of a covered security; or

''(2) that the defendant used or employed any manipulative or deceptive device or contrivance in connection with the purchase or sale of a covered security.

''(c) REMOVAL OF COVERED CLASS ACTIONS.—Any covered class action brought in any State court involving a covered security, as set forth in subsection (b), shall be removable to the Federal district court for the district in which the action is pending, and shall be subject to subsection (b).

''(d) PRESERVATION OF CERTAIN ACTIONS.—

''(1) ACTIONS UNDER STATE LAW OF STATE OF INCORPORATION.—

''(A) ACTIONS PRESERVED.—Notwithstanding subsection (b) or (c), a covered class action described in subparagraph (B) of this paragraph that is based upon the statutory or common law of the State in which the issuer is incorporated (in the case of a corporation) or organized (in the case of any other entity) may be maintained in a State or Federal court by a private party.

''(B) PERMISSIBLE ACTIONS.—A covered class action is described in this subparagraph if it involves—

''(i) the purchase or sale of securities by the issuer or an affiliate of the issuer exclusively from or to holders of equity securities of the issuer; or

''(ii) any recommendation, position, or other communication with respect to the sale of securities of the issuer that—

''(I) is made by or on behalf of the issuer or an affiliate of the issuer to holders of equity securities of the issuer; and

''(II) concerns decisions of those equity holders with respect to voting their securities, acting in response to a tender or exchange offer, or exercising dissenters' or appraisal rights.

''(2) STATE ACTIONS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, nothing in this section may be construed to preclude a State or political subdivision thereof or a State pension plan from bringing an action involving a covered security on its own behalf, or as a member of a class comprised solely of other States, political subdivisions, or State pension plans that are named plaintiffs, and that have authorized participation, in such action.

''(B) STATE PENSION PLAN DEFINED.—For purposes of this paragraph, the term 'State pension plan' means a pension plan established and maintained for its employees by the government of the State or political subdivision thereof, or by any agency or instrumentality thereof.

''(3) ACTIONS UNDER CONTRACTUAL AGREEMENTS BETWEEN ISSUERS AND INDENTURE TRUSTEES.—Notwithstanding subsection (b) or (c), a covered class action that seeks to enforce a contractual agreement between an issuer and an indenture trustee may be maintained in a State or Federal court by a party to the agreement or a successor to such party.

''(4) REMAND OF REMOVED ACTIONS.—In an action that has been removed from a State court pursuant to subsection (c), if the Federal court determines that the action may be maintained in State court pursuant to this subsection, the Federal court shall remand such action to such State court.

''(e) PRESERVATION OF STATE JURISDICTION.—The securities commission (or any agency or office performing like functions) of any State shall retain jurisdiction under the laws of such State to investigate and bring enforcement actions.

''(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) AFFILIATE OF THE ISSUER.—The term 'affiliate of the issuer' means a person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with, the issuer.

''(2) COVERED CLASS ACTION.—

''(A) IN GENERAL.—The term 'covered class action' means—

''(i) any single lawsuit in which—

''(I) damages are sought on behalf of more than 50 persons or prospective class members, and questions of law or fact common to those persons or members of the prospective class, without reference to issues of individualized reliance on an alleged misstatement or omission, predominate over any questions affecting only individual persons or members; or

''(II) one or more named parties seek to recover damages on a representative basis on behalf of themselves and other unnamed parties similarly situated, and questions of law or fact common to those persons or members of the prospective class predominate over any questions affecting only individual persons or members; or

''(ii) any group of lawsuits filed in or pending in the same court and involving common questions of law or fact, in which—

''(I) damages are sought on behalf of more than 50 persons; and

''(II) the lawsuits are joined, consolidated, or otherwise proceed as a single action for any purpose.

''(B) EXCEPTION FOR DERIVATIVE ACTIONS.—Notwithstanding subparagraph (A), the term 'covered class action' does not include an exclusively derivative action brought by one or more shareholders on behalf of a corporation.

''(C) COUNTING OF CERTAIN CLASS MEMBERS.—For purposes of this paragraph, a corporation, investment company, pension plan, partnership, or other entity, shall be treated as one person or prospective class member, but only if the entity is not established for the purpose of participating in the action.

''(D) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to affect the discretion of a State court in determining whether actions filed in such court should be joined, consolidated, or otherwise allowed to proceed as a single action.

''(3) COVERED SECURITY.—The term 'covered security' means a security that satisfies the standards for a covered security specified in paragraph (1) or (2) of section 18(b) at the time during which it is alleged that the misrepresentation, omission, or manipulative or deceptive conduct occurred, except that such term shall not include any debt security that is exempt from registration under this title pursuant to rules issued by the Commission under section 4(2).''.

(2) CIRCUMVENTION OF STAY OF DISCOVERY.—Section 27(b) of the Securities Act of 1933 (15 U.S.C. 77z–1(b)) is amended by inserting after paragraph (3) the following new paragraph:

''(4) CIRCUMVENTION OF STAY OF DISCOVERY.—Upon a proper showing, a court may stay discovery proceedings in any private action in a State court as necessary in aid of its jurisdiction, or to protect or effectuate its judgments, in an action subject to a stay of discovery pursuant to this subsection.''.

(3) CONFORMING AMENDMENTS.—Section 22(a) of the Securities Act of 1933 (15 U.S.C. 77v(a)) is amended—

(A) by inserting ''except as provided in section 16 with respect to covered class actions,'' after ''Territorial courts,''; and

(B) by striking ''No case'' and inserting ''Except as provided in section 16(c), no case''.

(b) AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—

(1) AMENDMENT.—Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is amended—

(A) in subsection (a), by striking ''The rights and remedies'' and inserting ''Except as provided in subsection (f), the rights and remedies''; and

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

''(f) LIMITATIONS ON REMEDIES.—

''(1) CLASS ACTION LIMITATIONS.—No covered class action based upon the statutory or common law of any State or subdivision thereof may be maintained in any State or Federal court by any private party alleging—

''(A) a misrepresentation or omission of a material fact in connection with the purchase or sale of a covered security; or

''(B) that the defendant used or employed any manipulative or deceptive device or contrivance in connection with the purchase or sale of a covered security.

''(2) REMOVAL OF COVERED CLASS ACTIONS.—Any covered class action brought in any State court involving a covered security, as set forth in paragraph (1), shall be removable to the Federal district court for the district in which the action is pending, and shall be subject to paragraph (1).

''(3) PRESERVATION OF CERTAIN ACTIONS.—

''(A) ACTIONS UNDER STATE LAW OF STATE OF INCORPORATION.—

''(i) ACTIONS PRESERVED.—Notwithstanding paragraph (1) or (2), a covered class action described in clause (ii) of this subparagraph that is based upon the statutory or common law of the State in which the issuer is incorporated (in the case of a corporation) or organized (in the case of any other entity) may be maintained in a State or Federal court by a private party.

''(ii) PERMISSIBLE ACTIONS.—A covered class action is described in this clause if it involves—

''(I) the purchase or sale of securities by the issuer or an affiliate of the issuer exclusively from or to holders of equity securities of the issuer; or

''(II) any recommendation, position, or other communication with respect to the sale of securities of an issuer that—

''(aa) is made by or on behalf of the issuer or an affiliate of the issuer to holders of equity securities of the issuer; and

''(bb) concerns decisions of such equity holders with respect to voting their securities, acting in response to a tender or exchange offer, or exercising dissenters' or appraisal rights.

''(B) STATE ACTIONS.—

''(i) IN GENERAL.—Notwithstanding any other provision of this subsection, nothing in this subsection may be construed to preclude a State or political subdivision thereof or a State pension plan from bringing an action involving a covered security on its own behalf, or as a member of a class comprised solely of other States, political subdivisions, or State pension plans that are named plaintiffs, and that have authorized participation, in such action.

''(ii) STATE PENSION PLAN DEFINED.—For purposes of this subparagraph, the term 'State pension plan' means a pension plan established and maintained for its employees by the government of a State or political subdivision thereof, or by any agency or instrumentality thereof.

''(C) ACTIONS UNDER CONTRACTUAL AGREEMENTS BETWEEN ISSUERS AND INDENTURE TRUSTEES.—Notwithstanding paragraph (1) or (2), a covered class action that seeks to enforce a contractual agreement between an issuer and an indenture trustee may be maintained in a State or Federal court by a party to the agreement or a successor to such party.

''(D) REMAND OF REMOVED ACTIONS.—In an action that has been removed from a State court pursuant to paragraph (2), if the Federal court determines that the action may be maintained in State court pursuant to this subsection, the Federal court shall remand such action to such State court.

''(4) PRESERVATION OF STATE JURISDICTION.—The securities commission (or any agency or office performing like functions) of any State shall retain jurisdiction under the laws of such State to investigate and bring enforcement actions.

''(5) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

''(A) AFFILIATE OF THE ISSUER.—The term 'affiliate of the issuer' means a person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with, the issuer.

''(B) COVERED CLASS ACTION.—The term 'covered class action' means—

''(i) any single lawsuit in which—

''(I) damages are sought on behalf of more than 50 persons or prospective class members, and questions of law or fact common to those persons or members of the prospective class, without reference to issues of individualized reliance on an alleged misstatement or omission, predominate over any questions affecting only individual persons or members; or

''(II) one or more named parties seek to recover damages on a representative basis on behalf of themselves and other unnamed parties similarly situated, and questions of law or fact common to those persons or members of the prospective class predominate over any questions affecting only individual persons or members; or

''(ii) any group of lawsuits filed in or pending in the same court and involving common questions of law or fact, in which—

''(I) damages are sought on behalf of more than 50 persons; and

''(II) the lawsuits are joined, consolidated, or otherwise proceed as a single action for any purpose.

''(C) EXCEPTION FOR DERIVATIVE ACTIONS.—Notwithstanding subparagraph (B), the term 'covered class action' does not include an exclusively derivative action brought by one or more shareholders on behalf of a corporation.

''(D) COUNTING OF CERTAIN CLASS MEMBERS.—For purposes of this paragraph, a corporation, investment company, pension plan, partnership, or other entity, shall be treated as one person or prospective class member, but only if the entity is not established for the purpose of participating in the action.

''(E) COVERED SECURITY.—The term 'covered security' means a security that satisfies the standards for a covered security specified in paragraph (1) or (2) of section 18(b) of the Securities Act of 1933, at the time during which it is alleged that the misrepresentation, omission, or manipulative or deceptive conduct occurred, except that such term shall not include any debt security that is exempt from registration under the Securities Act of 1933 pursuant to rules issued by the Commission under section 4(2) of that Act.

''(F) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to affect the discretion of a State court in determining whether actions filed in such court should be joined, consolidated, or otherwise allowed to proceed as a single action.''.

(2) CIRCUMVENTION OF STAY OF DISCOVERY.—Section 21D(b)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78u–4(b)(3)) is amended by adding at the end the following new subparagraph:

''(D) CIRCUMVENTION OF STAY OF DISCOVERY.—Upon a proper showing, a court may stay discovery proceedings in any private action in a State court, as necessary in aid of its jurisdiction, or to protect or effectuate its judgments, in an action subject to a stay of discovery pursuant to this paragraph.''.

(c) APPLICABILITY.—The amendments made by this section shall not affect or apply to any action commenced before and pending on the date of enactment of this Act.

SEC. 102. PROMOTION OF RECIPROCAL SUBPOENA ENFORCEMENT.

(a) COMMISSION ACTION.—The Securities and Exchange Commission, in consultation with State securities commissions (or any agencies or offices performing like functions), shall seek to encourage the adoption of State laws providing for reciprocal enforcement by State securities commissions of subpoenas issued by another State securities commission seeking to compel persons to attend, testify in, or produce documents or records in connection with an action or investigation by a State securities commission of an alleged violation of State securities laws.

(b) REPORT.—Not later than 24 months after the date of enactment of this Act, the Securities and Exchange Commission (hereafter in this section referred to as the ''Commission'') shall submit a report to the Congress—

(1) identifying the States that have adopted laws described in subsection (a);

(2) describing the actions undertaken by the Commission and State securities commissions to promote the adoption of such laws; and

(3) identifying any further actions that the Commission recommends for such purposes.

TITLE II—REAUTHORIZATION OF THE SECURITIES AND EXCHANGE COMMISSION

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Section 35 of the Securities Exchange Act of 1934 (15 U.S.C. 78kk) is amended to read as follows:

''SEC. 35. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—In addition to any other funds authorized to be appropriated to the Commission, there are authorized to be appropriated to carry out the functions, powers, and duties of the Commission, $351,280,000 for fiscal year 1999.

''(b) MISCELLANEOUS EXPENSES.—Funds appropriated pursuant to this section are authorized to be expended—

''(1) not to exceed $3,000 per fiscal year, for official reception and representation expenses;

''(2) not to exceed $10,000 per fiscal year, for funding a permanent secretariat for the International Organization of Securities Commissions; and

''(3) not to exceed $100,000 per fiscal year, for expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, members of their delegations, appropriate representatives, and staff to exchange views concerning developments relating to securities matters, for development and implementation of cooperation agreements concerning securities matters, and provision of technical assistance for the development of foreign securities markets, such expenses to include necessary logistic and administrative expenses and the expenses of Commission staff and foreign invitees in attendance at such consultations and meetings, including—

''(A) such incidental expenses as meals taken in the course of such attendance;

''(B) any travel or transportation to or from such meetings; and

''(C) any other related lodging or subsistence.''.

SEC. 202. REQUIREMENTS FOR THE EDGAR SYSTEM.

Section 35A of the Securities Exchange Act of 1934 (15 U.S.C. 78ll) is amended—

(1) by striking subsections (a), (b), (c), and (e); and

(2) in subsection (d)—

(A) by striking ''(d)'';

(B) in paragraph (2), by striking ''; and'' at the end and inserting a period; and

(C) by striking paragraph (3).

SEC. 203. COMMISSION PROFESSIONAL ECONOMISTS.

Section 4(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(b)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

''(2) ECONOMISTS.—

''(A) COMMISSION AUTHORITY.—Notwithstanding the provisions of chapter 51 of title 5, United States Code, the Commission is authorized—

''(i) to establish its own criteria for the selection of such professional economists as the Commission deems necessary to carry out the work of the Commission;

''(ii) to appoint directly such professional economists as the Commission deems qualified; and

''(iii) to fix and adjust the compensation of any professional economist appointed under this paragraph, without regard to the provisions of chapter 55 of title 5, United States Code, or subchapters II, III, or VIII of chapter 53, of title 5, United States Code.

''(B) LIMITATION ON COMPENSATION.—No base compensation fixed for an economist under this paragraph may exceed the pay for Level IV of the Executive Schedule, and no payments to an economist appointed under this paragraph shall exceed the limitation on certain payments in section 5307 of title 5, United States Code.

''(C) OTHER BENEFITS.—All professional economists appointed under this paragraph shall be eligible for coverage under the Federal Civil Service System with respect to employee benefits.''.

TITLE III—CLERICAL AND TECHNICAL AMENDMENTS

SEC. 301. CLERICAL AND TECHNICAL AMENDMENTS.

(a) SECURITIES ACT OF 1933.—The Securities Act of 1933 (15 U.S.C. 77 et seq.) is amended as follows:

(1) Section 2(a)(15)(i) (15 U.S.C. 77b(a)(15)(i)) is amended—

(A) by striking ''3(a)(2) of the Act'' and inserting ''3(a)(2)''; and

(B) by striking ''section 2(13) of the Act'' and inserting ''paragraph (13) of this subsection''.

(2) Section 11(f)(2)(A) (15 U.S.C. 77k(f)(2)(A)) is amended by striking ''section 38'' and inserting ''section 21D(f)''.

(3) Section 13 (15 U.S.C. 77m) is amended—

(A) by striking ''section 12(2)'' each place it appears and inserting ''section 12(a)(2)''; and

(B) by striking ''section 12(1)'' each place it appears and inserting ''section 12(a)(1)''.

(4) Section 18 (15 U.S.C. 77r) is amended—

(A) in subsection (b)(1)(A), by inserting '', or authorized for listing,'' after ''Exchange, or listed'';

(B) in subsection (c)(2)(B)(i), by striking ''Capital Markets Efficiency Act of 1996'' and inserting ''National Securities Markets Improvement Act of 1996'';

(C) in subsection (c)(2)(C)(i), by striking ''Market'' and inserting ''Markets'';

(D) in subsection (d)(1)(A)—

(i) by striking ''section 2(10)'' and inserting ''section 2(a)(10)''; and

(ii) by striking ''subparagraphs (A) and (B)'' and inserting ''subparagraphs (a) and (b)'';

(E) in subsection (d)(2), by striking ''Securities Amendments Act of 1996'' and inserting ''National Securities Markets Improvement Act of 1996''; and

(F) in subsection (d)(4), by striking ''For purposes of this paragraph, the'' and inserting ''The''.

(5) Sections 27, 27A, and 28 (15 U.S.C. 77z–1, 77z–2, 77z–3) are transferred to appear after section 26, in that order.

(6) Paragraph (28) of schedule A of such Act (15 U.S.C. 77aa(28)) is amended by striking ''identic'' and inserting ''identical''.

(b) SECURITIES EXCHANGE ACT OF 1934.—The Securities Exchange Act of 1934 (15 U.S.C. 78 et seq.) is amended as follows:

(1) Section 3(a)(10) (15 U.S.C. 78c(a)(10)) is amended by striking ''deposit, for'' and inserting ''deposit for''.

(2) Section 3(a)(12)(A)(vi) (15 U.S.C. 78c(a)(12)(A)(vi)) is amended by moving the margin 2 em spaces to the left.

(3) Section 3(a)(22)(A) (15 U.S.C. 78c(a)(22)(A)) is amended—

(A) by striking ''section 3(h)'' and inserting ''section 3''; and

(B) by striking ''section 3(t)'' and inserting ''section 3''.

(4) Section 3(a)(39)(B)(i) (15 U.S.C. 78c(a)(39)(B)(i)) is amended by striking ''an order to the Commission'' and inserting ''an order of the Commission''.

(5) The following sections are each amended by striking ''Federal Reserve Board'' and inserting ''Board of Governors of the Federal Reserve System'': subsections (a) and (b) of section 7 (15 U.S.C. 78g(a), (b)); section 17(g) (15 U.S.C. 78q(g)); and section 26 (15 U.S.C. 78z).

(6) The heading of subsection (d) of section 7 (15 U.S.C. 78g(d)) is amended by striking ''EXCEPTION'' and inserting ''EXCEPTIONS''.

(7) Section 14(g)(4) (15 U.S.C. 78n(g)(4)) is amended by striking ''consolidation sale,'' and inserting ''consolidation, sale,''.

(8) Section 15 (15 U.S.C. 78o) is amended—

(A) in subsection (c)(8), by moving the margin 2 em spaces to the left;

(B) in subsection (h)(2), by striking ''affecting'' and inserting ''effecting'';

(C) in subsection (h)(3)(A)(i)(II)(bb), by inserting ''or'' after the semicolon;

(D) in subsection (h)(3)(A)(ii)(I), by striking ''maintains'' and inserting ''maintained'';

(E) in subsection (h)(3)(B)(ii), by striking ''association'' and inserting ''associated''.

(9) Section 15B(c)(4) (15 U.S.C. 78o–4(c)(4)) is amended by striking ''convicted by any offense'' and inserting ''convicted of any offense''.

(10) Section 15C(f)(5) (15 U.S.C. 78o–5(f)(5)) is amended by striking ''any person or class or persons'' and inserting ''any person or class of persons''.

(11) Section 19(c)(5) (15 U.S.C. 78s(c)(5)) is amended by moving the margin 2 em spaces to the right.

(12) Section 20 (15 U.S.C. 78t) is amended by redesignating subsection (f) as subsection (e).

(13) Section 21D (15 U.S.C. 78u–4) is amended—

(A) in subsection (g)(2)(B)(i), by striking ''paragraph (1)'' and inserting ''subparagraph (A)''.

(B) by redesignating subsection (g) as subsection (f); and

(14) Section 31(a) (15 U.S.C. 78ee(a)) is amended by striking ''this subsection'' and inserting ''this section''.

(c) INVESTMENT COMPANY ACT OF 1940.—The Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.) is amended as follows:

(1) Section 2(a)(8) (15 U.S.C. 80a–2(a)(8)) is amended by striking ''Unitde'' and inserting ''United''.

(2) Section 3(b) (15 U.S.C. 80a–3(b)) is amended by striking ''paragraph (3) of subsection (a)'' and inserting ''paragraph (1)(C) of subsection (a)''.

(3) Section 12(d)(1)(G)(i)(III)(bb) (15 U.S.C. 80a–12(d)(1)(G)(i)(III)(bb)) is amended by striking ''the acquired fund'' and inserting ''the acquired company''.

(4) Section 18(e)(2) (15 U.S.C. 80a–18(e)(2)) is amended by striking ''subsection (e)(2)'' and inserting ''paragraph (1) of this subsection''.

(5) Section 30 (15 U.S.C. 80a–29) is amended—

(A) by inserting ''and'' after the semicolon at the end of subsection (b)(1);

(B) in subsection (e), by striking ''semi-annually'' and inserting ''semiannually''; and

(C) by redesignating subsections (g) and (h), as added by section 508(g) of the National Securities Markets Improvement Act of 1996, as subsections (i) and (j), respectively.

(6) Section 31(f) (15 U.S.C. 80a–30(f)) is amended by striking ''subsection (c)'' and inserting ''subsection (e)''.

(d) INVESTMENT ADVISERS ACT OF 1940.—The Investment Advisers Act of 1940 (15 U.S.C. 80b et seq.) is amended as follows:

(1) Section 203(e)(8)(B) (15 U.S.C. 80b–3(e)(8)(B)) is amended by inserting ''or'' after the semicolon.

(2) Section 222(b)(2) (15 U.S.C. 80b–18a(b)(2)) is amended by striking ''principle'' and inserting ''principal''.

(e) TRUST INDENTURE ACT OF 1939.—The Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.) is amended as follows:

(1) Section 303 (15 U.S.C. 77ccc) is amended by striking ''section 2'' each place it appears in paragraphs (2) and (3) and inserting ''section 2(a)''.

(2) Section 304(a)(4)(A) (15 U.S.C. 77ddd(a)(4)(A)) is amended by striking ''(14) of subsection'' and inserting ''(13) of section''.

(3) Section 313(a) (15 U.S.C. 77mmm(a)) is amended—

(A) by inserting ''any change to'' after the paragraph designation at the beginning of paragraph (4); and

(B) by striking ''any change to'' in paragraph (6).

(4) Section 319(b) (15 U.S.C. 77sss(b)) is amended by striking ''the Federal Register Act'' and inserting ''chapter 15 of title 44, United States Code,''.

SEC. 302. EXEMPTION OF SECURITIES ISSUED IN CONNECTION WITH CERTAIN STATE HEARINGS.

Section 18(b)(4)(C) of the Securities Act of 1933 (15 U.S.C. 77r(b)(4)(C)) is amended by striking ''paragraph (4) or (11)'' and inserting ''paragraph (4), (10), or (11)''.

And the House agree to the same.

TOM BLILEY,
M.G. OXLEY,
BILLY TAUZIN,
CHRIS COX,
RICK WHITE,
ANNA G. ESHOO,
Managers on the Part of the House.

ALFONSE D'AMATO,
PHIL GRAMM,
CHRIS DODD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1260) to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

THE SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1998

UNIFORM STANDARDS

Title 1 of S. 1260, the Securities Litigation Uniform Standards Act of 1998, makes Federal court the exclusive venue for most securities class action lawsuits. The purpose of this title is to prevent plaintiffs from seeking to evade the protections that Federal law provides against abusive litigation by filing suit in State, rather than in Federal, court. The legislation is designed to protect the interests of shareholders and employees of public companies that are the target of meritless ''strike'' suits. The purpose of these strike suits is to extract a sizeable settlement from companies that are forced to settle, regardless of the lack of merits of the suit, simply to avoid the potentially bankrupting expense of litigating.

Additionally, consistent with the determination that Congress made in the National Securities Markets Improvement Act[1] (NSMIA), this legislation establishes uniform national rules for securities class action litigation involving our national capital markets. Under the legislation, class actions relating to a ''covered security'' (as defined by section 18(b) of the Securities Act of 1933, which was added to that Act by NSMIA) alleging fraud or manipulation must be maintained pursuant to the provisions of Federal securities law, in Federal court (subject to certain exceptions).

''Class actions'' that the legislation bars from State court include actions brought on behalf of more than 50 persons, actions brought on behalf of one or more unnamed parties, and so-called ''mass actions,'' in which a group of lawsuits filed in the same court are joined or otherwise proceed as a single action.

The legislation provides for certain exceptions for specific types of actions. The legislation preserves State jurisdiction over: (1) certain actions that are based upon the law of the State in which the issuer of the security in question is incorporated[2]; (2) actions brought by States and political subdivisions, and State pension plans, so long as the plaintiffs are named and have authorized participation in the action; and (3) actions by a party to a contractual agreement (such as an indenture trustee) seeking to enforce provisions of the indenture.

Additionally, the legislation provides for an exception from the definition of ''class action'' for certain shareholder derivative actions.

Title II of the legislation reauthorizes the Securities and Exchange Commission (SEC or Commission) for Fiscal Year 1999. This title also includes authority for the SEC to pay economists above the general services scale.

Title III of the legislation provides for corrections to certain clerical and technical errors in the Federal securities laws arising from changes made by the Private Securities Litigation Reform Act of 1995[3] (the ''Reform Act'') and NSMIA.

The managers note that a report and statistical analysis of securities class actions lawsuits authored by Joseph A. Grundfest and Michael A. Perino reached the following conclusion:

The evidence presented in this report suggests that the level of class action securities fraud litigation has declined by about a third in federal courts, but that there has been an almost equal increase in the level of state court activity, largely as a result of a ''substition effect'' whereby plaintiffs resort to state court to avoid the new, more stringent requirements of federal cases. There has also been an increase in parallel litigation between state and federal courts in an apparent effort to avoid the federal discovery stay or other provisions of the Act. This increase in state activity has the potential not only to undermine the intent of the Act, but to increase the overall cost of litigation to the extent that the Act encourages the filing of parallel claims.[4]

Prior to the passage of the Reform Act, there was essentially no significant securities class action litigation brought in State court.[5] In its Report to the President and the Congress on the First Year of Practice Under the Private Securities Litigation Reform

[1] Public law 104–290 (October 11, 1996).

[2] It is the intention of the managers that the suits under this exception be limited to the state in which issuer of the security is incorporated, in the case of a corporation, or state of organization, in the case of any other entity.

[3] Public Law 104–67 (December 22, 1995).

[4] Grundfest, Joseph A. & Perino, Michael A., *Securities Litigation Reform: The First Year's Experience: A Statistical and Legal Analysis of Class Action Securities Fraud Litigation under the Private Securities Litigation Reform Act of 1995,* Stanford Law School (February 27, 1997).

[5] *Id.* n. 18.

Act of 1995, the SEC called the shift of securities fraud cases from Federal to State court ''potentially the most significant development in securities litigation'' since passage of the Reform Act.[6]

The managers also determined that, since passage of the Reform Act, plaintiffs' lawyers have sought to circumvent the Act's provisions by exploiting differences between Federal and State laws by filing frivolous and speculative lawsuits in State court, where essentially none of the Reform Act's procedural or substantive protections against abusive suits are available.[7] In California, State securities class action filings in the first six months of 1996 went up roughly five-fold compared to the first six months of 1995, prior to passage of the Reform Act.[8] Furthermore, as a state securities commissioner has observed:

It is important to note that companies can not control where their securities are traded after an initial public offering. * * * As a result, companies with publicly-traded securities can not choose to avoid jurisdictions which present unreasonable litigation costs. Thus, a single state can impose the risks and costs of its pecular litigation system on all national issuers.[9]

The solution to this problem is to make Federal court the exclusive venue for most securities fraud class action litigation involving nationally traded securities.

SCIENTER

It is the clear understanding of the managers that Congress did not, in adopting the Reform Act, intend to alter the standards of liability under the Exchange Act.

The managers understand, however, that certain Federal district courts have interpreted the Reform Act as having altered the scienter requirement. In that regard, the managers again emphasize that the clear intent in 1995 and our continuing intent in this legislation is that neither the Reform Act nor S. 1260 in any way alters the scienter standard in Federal securities fraud suits.

Additionally, it was the intent of Congress, as was expressly stated during the legislative debate on the Reform Act, and particularly during the debate on overriding the President's veto, that the Reform Act establish a heightened uniform Federal standard on pleading requirements based upon the pleading standard applied by the Second Circuit Court of Appeals. Indeed, the express language of the Reform Act itself carefully provides that plaintiffs must ''state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind.'' The Managers emphasize that neither the Reform Act nor S. 1260 makes any attempt to define that state of mind.

The managers note that in Ernst and Ernst v. Hochfelder[10], the Supreme Court left open the question of whether conduct that was not intentional was sufficient for liability under the Federal securities laws. The Supreme Court has never answered that question. The Court expressly reserved the question of whether reckless behavior is sufficient for civil liability under section 10(b) and Rule 10b–5 in a subsequent case, Herman & Maclean v. Huddleston[11], where it stated, ''We have explicitly left open the question of whether recklessness satisfies the scienter requirement.''

The managers note that since the passage of the Reform Act, a data base containing many of the complaints, responses and judicial decisions on securities class actions since enactment of the Reform Act has been established on the Internet. This data base, the Securities Class Action Clearinghouse, is an extremely useful source of information on securities class actions. It can be accessed on the world wide web at http://securities.stanford.edu. The managers urge other Federal courts to adopt rules, similar to those in effect in the Northern District of California, to facilitate maintenance of this and similar data bases.

TOM BLILEY,
M.G. OXLEY,
BILLY TAUZIN,
CHRIS COX,
RICK WHITE,
ANNA G. ESHOO,

Managers on the Part of the House.

ALFONSE D'AMATO,
PHIL GRAMM,
CHRIS DODD,

Managers on the Part of the Senate.

In 1995, during the consideration of the Private Securities Litigation Reform Act and the override of the President's veto of that Act, Congress noted that in Ernst and Ernst v. Hochfelder,[1] the Supreme court expressly left open the question of whether conduct that was not intentional was sufficient for liability under section 10(b) of the Securities Exchange Act of 1934. The Supreme Court has never answered that question. The Court specifically reserved the question of whether reckless behavior is sufficient for civil liability under section 10(b) and Rule 105–5[2] in a subsequent case, Herman & Maclean v. Huddleston,[3] where it stated, ''We have explicitly left open the question of whether recklessness satisfies the scienter requirement.''

Footnotes at end of article.

The Reform Act did not alter statutory standards of liability under the securities laws (except in the safe harbor for forward-looking statements). As Chairman of the Conference Committee that considered the Reform Act and as the bill's author, respectively, it is our view that non-intentional conduct can never be sufficient for liability under section 10(b) of the Exchange Act. We believe that the structure and history of the securities laws indicates no basis for liability under this section for non-intentional conduct. The following is a discussion of the legal reasons supporting our view that non-intentional conduct is insufficient for liability under section 10(b) of the Exchange Act.[4]

In Ernst & Ernst v. Hochfelder, the Supreme Court held that scienter is a necessary element of an action for damages under Section 10(b) and Rule 10b–5. The Supreme Court defined scienter as ''a mental state embracing intent to deceive, manipulate, or defraud.'' Hochfelder, 425 U.S. at 194 n. 12.

A. NEITHER THE TEXT NOR THE LEGISLATIVE HISTORY OF SECTION 10(B) SUPPORT LIABILITY FOR RECKLESS BEHAVIOR

''The starting point in every case involving construction of a statute is the language itself.''[5] Because Congress ''did not create a private § 10(b) cause of action and had no occasion to provide guidance about the elements of a private liability scheme,'' the Supreme Court has been forced ''to infer how the 1934 Congress would have addressed the issue[s] had the 10b–5 action been included as an express provision in the 1934 Act.''[6]

The inference from the language of the statute is clear: Congress would not have created Section 10(b) liability for reckless behavior. Section 10(b) prohibits ''any manipulative or deceptive device or contrivance'' in contravention of rules adopted by the Commission pursuant to Section 10(b)'s delegated authority. The terms ''manipulative,'' ''device,'' and ''contrivance'' ''make unmistakable a congressional intent to proscribe a type of conduct quite different from negligence.'' Hochfelder, 425 U.S. at 199. The intent was to ''proscribe *knowing or intentional* misconduct.'' Id. (emphasis supplied). In addition, the use of the word manipulative is ''especially significant'' because ''[i]t is and was virtually a term of art when used in connection with securities markets. It connotes intentional or willful conduct designed to deceive or defraud investors by controlling or artificially affecting the price of securities.'' Id. (footnote omitted).

Section 10(b) of the Exchange Act cannot be violated through inadvertence or with lack of subjective consciousness. Nor can one construct a device or contrivance without willing to do so. The words ''manipulate,'' ''device,'' or ''contrivance,'' by their very nature, require conscious intent and connote purposive activity.[7] The mental state consistent with the statute can be achieved only if a defendant acts with a state of mind ''embracing''—an active verb—''intent''—requiring a conscious state of mind—''to deceive, manipulate or defraud.''[8]

The legislative history compels the same conclusion. ''[T]here is no indication that § 10(b) was intended to proscribe conduct not involving scienter.'' *Hochfelder,* 425 U.S. at 202; *see also Aaron v. SEC,* 446 U.S. 680, 691 (1980) (same). Indeed, ''[i]n considering specific manipulative practices left to Commission regulation . . . the [Congressional] reports indicate that liability would not attach absent scienter, supporting the conclusion that Congress intended no lesser standard under § 10(b). ''*Hochfelder,* 425 U.S. at 204. Congress thus ''evidenced a purpose to proscribe only *knowing and intentional misconduct.*'' *Aaron,* 446 U.S. at 690 (emphasis supplied).

B. THE STRUCTURE OF THE STATUTE UNDERSCORES THAT THERE CAN BE NO SECTION 10(B) LIABILITY FOR RECKLESSNESS

In drafting the federal securities laws, Congress knew how to use specific language to impose liability for reckless or negligent behavior and how to create strict liability for violations of the federal securities laws.[8] But Congress did not use such language to impose Section 10(b) liability on reckless behavior. Therefore, just as there is no liability for aiding and abetting a violation of Section 10(b) because Congress knew how to create such liability but did not,[10] and just as there is no liability under Section 12(l) of the Securities Act, 17 U.S.C. § 771(l), for participants who are merely collateral to an offer or sale because Congress knew how to create such liability but did not,[11] and just as there is no remedy under Section 10(b) for those who neither purchase nor sell securities because Congress knew how to create such a remedy but did not,[12] there can be no liability for reckless conduct under Section 10(b) because Congress clearly knew how to impose liability for reckless behavior but did not.

The Supreme Court has, moreover, emphasized that the securities laws ''should not be read as a series of unrelated and isolated provisions.''[13] The federal securities laws are to be interpreted consistently and as part of an interrelated whole.''[14] In *Virginia*

[6] *Report to the President and the Congress on the First Year of Practice Under the Private Securities Litigation Reform Act of 1995,* U.S. Securities and Exchange Commission, Office of the General Counsel, April 1997 at 61.

[7] Testimony of Mr. Jack G. Levin before the Subcommittee on Finance and Hazardous Materials of the Committee on Commerce, House of Representatives, Serial No. 105–85, at 41–45 (May 19, 1998).

[8] *Id.* at 4.

[9] Written statement of Hon. Keith Paul Bishop, Commissioner, California Department of Corporations, submitted to the Senate Committee on Banking, Housing and Urban Affairs' Subcommittee on Securities'' ''Oversight Hearing on the Private Securities Litigation Reform Act of 1995,'' Serial No. 105–182, at 3 (July 27, 1998).

[10] 425 U.S. 185 (1976).

[11] 459 U.S. 375 (1983).

Bankshares, Inc. v. Sandberg, 501 U.S. 1083 (1991), the Court reserved ''the question whether scienter was necessary for liability under §14(a).''[15] The Court nonetheless held that statements of ''reasons, opinions or belief'' are actionable under §14(a), 15 U.S.C. 78n(a), and Rule 14a–9, 17 C.F.R. §240.14a–9, as false or misleading only if there is proof of (1) subjective ''disbelief or undisclosed motivation,'' and (2) objective falsity. 501 U.S. at 1095–96. Justice Scalia explained the Court's holding as follows:

As I understand the Court's opinion, the statement ''In the opinion of the Directors, this is a high value for the shares'' would produce liability if in fact it was not a high value and the Directors knew that. It would not produce liability if in fact it was not a high value but the Directors honestly believed otherwise. The statement ''The Directors voted to accept the proposal *because* they believe it offers a high value'' would not produce liability if in fact the Directors' genuine motive was quite different—except that it would produce liability if the proposal in fact did not offer a high value and the Directors knew that.[16]

If follows that, if: (A) a statement must be subjectively disbelieved in order to be actionable under Section 14(a), a provision that may or may not required scienter, then: (B) *a fortiori*, under Section 10(b), a provision that clearly requires scienter, plaintiffs must show subjective awareness of a scheme or device.

Any other result would lead to the anomalous conclusion that statements actionable under Section 10(b), the more restrictive ''catchall'' provision of the federal securities laws, *Hochfelder*, 425 U.S. at 203, would not be actionable under Section 14(a). Indeed, ''[t]here is no indication that Congress intended anyone to be made liable [under §10(b)] unless he acted other than in good faith [and] [t]he catchall provision of §10(b) should be interpreted no more broadly.'' *Id.* at 206[17]

The language of the text, the legislative history, and the structure of the statute therefore each compel the conclusion that intentional conduct is a prerequisite for liability under Section 10(b).

Additionally, the Reform Act established a heightened pleading standard for private securities fraud lawsuits. The Conference Report accompanying the Reform Act stated in relevant part:

The Conference Committee language is based in part on the pleading standard of the Second Circuit. The standard also is specifically written to conform the language to rule 9(b)'s notion of pleading with ''particularity.''

Regarded as the most stringent pleading standard, the Second Circuit requirement is that the plaintiff state facts with particularity, and that these facts intern must give rise a strong inference of the defendant's fraudulent intent. Because the Conference Committee intends to strengthen existing pleading requirements, it does not intend to codify the Second Circuit's case law interpreting this pleading standard. Footnote: For this reason, the conference Report chose not to include in the pleading standard certain language relating to motive, opportunity, or recklessness.[18]

The Conference Report accompanying S. 1260 is consistent with that heightened pleading standard articulated in 1995.

[1] 425 U.S. 185 (1976).

[2] 17 C.F.R. §240.10b–5.

[3] 459 U.S. 375 (1983).

[4] We are grateful to Professor Joe Grundfest and Ms. Susan French of Stanford University for guidance to us on these questions.

[5] *Hochfelder*, 425 U.S. at 197 (quoting *Blue Chip Stamps v. Manor Drug Stores*, 421 U.S. 723, 756 (1975) (Powell, J., concurring). *See also Gustafson v. Alloyd Co.*, 115 S. Ct. 1061, 1074 (1995) (Thomas, J., Dissenting). *Central Bank*, 114 S. Ct. at 1446; *Landreth Timber Co. v. Landreth*, 471 U.S. 681, 685 (1985); *Santa Fe Indus., Inc. v. Green, 430* U.S. 462, 472 (1977).

[6] *Central Bank*, 114 S. Ct. at 1441–42 (quoting *Musick, Peeler* 113 S. Ct. at 2089–90).

[7] *See Hochfelder*, 425 U.S. at 199 n. 20 (''device'' means '''that which is devised, or formed by design; a contrivance; an invention; project; scheme; often a scheme to deceive; a strategem; an artifice'') (quoting Webster's International Dictionary (2d ed. 1934)); *id* (defining ''contrivance'' as '' '[a] thing contrived or used in contrivance; a scheme . . . .'').

[8] *Hochfelder*, 425 U.S. at 193 n. 12. *Cf. Santa Fe Industries*, 430 U.S. at 478; *Schreiber* v. *Burlington Northern Inc.*, 472 U.S. 1, 5–8 (1985).

[9] Section 11 of the Securities Act of 1933, 15 U.S.C. §77k. for example, imposes strict liability on the issuer for material misstatements or omissions in a registration statement and a ''sliding scale'' negligence standard on other participants in the offering process. *See Hochfelder*, 425 U.S. at 208. Sections 17 (a)(2) and (3) of the Securities Act, 15 U.S.C. §77q(a) (2),(3), impose liability for negligent or reckless conduct in the sale of securities. *Aaron*, 446 U.S. at 697.

[10] *Central Bank, 114 S. Ct.* at 1448 (''Congress knew how to impose aiding and abetting liability when it chose to do so.'') (citing statutes).

[11] *Pinter v. Dahl*,486 U.S. 622, 650 & n.26 (1988) (Congress knew how to provide liability for collateral participants in securities offerings when it chose to do so).

[12] *Blue Chip*, 421 U.S. at 734 (''When Congress wished to provide a remedy for those who neither purchase nor sell securities, it has little trouble doing so expressly.'').

[13] *Gustafson v. Alloyd Co.*, 115 S. Ct. 1061, 1067 (1995).

[14] *See, e.g, Hochfelder*, 425 U.S. at 206 (*citing Blue Chip*, 421 U.S. at 727–30; *SEC v. National Sec., Inc., 393 U.S. 453, 466 (1969)).*

[15] 501 U.S. at 1090 n. 5 (*citing TSC Indus. Inc. v. Northway, Inc.*, 426 U.S. 438, 444 n. 7 (1976) (reserving the same question).

[16] 501 U.S. at 1108–09 (Scalia, J., concurring in part and concurring in the judgment).

[17] The Supreme Court has previously extended holdings from §14(a)'s proxy antifraud provisions to §10(b)'s general antifraud provision. *See, e.g., Basic, Inc. v. Levinson*, 485 U.S. 224, 231–32 (1988) (adopting for purposes of §10(b) liability the standard for materiality initially defined under §14(a) by *TSC*, 426 U.S. at 445).

[18] Conference Report accompanying the Private Securities Litigation Reform Act of 1995, p. 41, 48.

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

Mr. DINGELL. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, I begin by expressing a great respect and affection for my dear friend, the gentleman from Virginia (Mr. BLILEY), the chairman of the committee. I do, however, rise in opposition to the conference report, and very frankly, I rise in opposition to the rather sorry process by which this document has been presented to this body.

Last month the House appointed 5 Members from the other side of the aisle and three Democrats as its conferees on this legislation.

There have been no meetings by the conferees. The staff of the Republican conferees have had extensive conversations with their Senate counterparts. No Democratic staff members were included or informed; not even the staff of the gentlewoman from California (Ms. ESHOO), the chief Democratic sponsor of the House bill.

To add insult to this injury, Republican staff informed us the day before this report was filed that the only Democratic amendment adopted by the conference committee, the DeGette amendment, which required the SEC to monitor and report to the Congress on the consequences of this legislation, had been unceremoniously dropped, without any justification that I can discern.

Moreover, the original conference report included, at the behest of the Senate, a rather curious nongermane study of the U.S. sheep and wool industry. While that might be appropriate, it does not seem to belong here.

I have also been told that the provision was taken out, but that is quite beside the point. The process here was exclusionary, unfair and outrageous. For that reason, I intend to vote against this conference report, and I will be urging my colleagues to do likewise.

The substance of this legislation clearly merits a no vote. We are not shearing sheep with this legislation. We are, very frankly, shamelessly, fleecing investors.

A year or so ago, the Congress passed legislation which changed startlingly the way in which ordinary investors may sue to protect their rights, and it largely stripped them of rights to protect themselves against corporate wrongdoings in the courts of the Federal Government.

We were told at the time that legislation was passed that the investors would still have access to State courts to protect their rights as owners of the corporations and to protect their rights as shareholders, and to assure that there was no wrongdoing which adversely affected either the well-being of the corporation or their interests therein.

This legislation very curiously terminates those rights. No longer can a citizen form a class action in a State court. For some strange reason, my colleagues on the other side of the aisle, great advocates of States' rights, are now saying citizens cannot go into State courts. They are changing State jurisprudence as well as Federal jurisprudence.

One of the remarkable things they do, if 50 citizens will go into court and sue, under the requirements of this legislation those suits must be combined into a class action, which is immediately then removed to the Federal courts and then subject to all of the hostile and constrictive constraints on the right of a citizen to sue to protect his interests and his property; the corporation which he as a shareholder happens to be the owner of.

This conference report nails the State courthouse door shut to little investors then, who have to band together in class action lawsuits in order to recover the money they have lost to securities fraud. By making Federal courts the exclusive venue for most of the securities class action lawsuits, the conference report imposes the standards of the Private Securities Litigation Reform Act of 1955, to which I referred earlier, on all securities class action lawsuits, except those narrow instances specifically excluded by that report.

The 1995 act imposed heightened pleading standards on defrauded investors, a stay of discovery so that the

special facts necessary to meet those heightened pleading standards could not be reached. As a matter of fact, one of the interesting things is that neither a discovery proceeding nor a lawyer would protect an investor under the law as it is now written under the statute I am referring to.

It would probably be in the interest of the investor to be represented by a psychiatrist because he literally must examine the mind of the person who has defrauded him in order to prevail in a lawsuit of that sort.

These are extraordinarily high pleading standards, far higher than necessary, and that legislation also imposed an unreasonably short statute of limitations or time limit for filing a fraud claim. It included no ability under the law to fully recover from professionals, such as accountants and lawyers, who had aided and abetted in stealing funds from innocent investors.

Those same standards and shortcomings are now extended across the board by fiat of the Federal Government so that a citizen who now finds the Federal court doors nailed shut to him cannot go to the State to seek redress in a State court from wrongdoing.

Why? I do not know, but one can suspect that the scoundrels, rogues, rascals and thieves that infest our capital markets have now dressed themselves up in sheep's clothing and convinced many of the Members of this body that they are not wolves but, rather, are hapless and helpless victims of a litigation explosion. I would note that that litigation explosion does not exist.

There is no litigation explosion, particularly given the amount of securities fraud that the bull market has engendered.

There has also been a covered attempt on the part of some Members here to obliterate the ability of the SEC and defrauded investors to sue on the basis of recklessness. This is like eliminating manslaughter from the criminal laws. It would be like saying that one has to prove intentional murder or the defendant gets off scott-free. If we were to lose the reckless standard, we would leave substantial numbers of the investing public naked to attacks by schemers.

That is the remarks of Chairman Leavitt, who testified before us, speaking as chairman of the SEC last October.

Mr. Speaker, I am willing to support responsible reform. I do not think that this constitutes responsible reform. This is the active sheltering of wrongdoing. It is going to support those who would skin the American investing public. It is going to raise great questions of the trust that Americans can put in the securities market, because we have provided now a blanket of protection for wrongdoing and for wrongdoers who are engaged, on a continuing basis of taking advantage, of those who cannot protect themselves. This is a bad bill. I urge a no vote.

Mr. Speaker, I submit the dissenting views on this legislation for inclusion in the RECORD, to expand and provide data on these points.

Mr. Speaker, I rise in opposition to this conference report and the sordid process by which it was conceived.

Last month, the House appointed its conferees on this legislation, 5 Members from the other side of the aisle and 3 Democrats. There have been no meetings of the conferees. The staff of the Republican conferees have had extensive conversations with their Senate counterparts. No Democratic staff were informed or included, not even the staff of Representative ESHOO, the chief Democratic sponsor of the House bill. To add insult to injury, Republican staff informed us the day before this report was filed that the only Democratic amendment adopted by the Commerce Committee—the DeGette amendment to require the SEC to monitor and report to Congress on the consequences of this legislation—has been unceremoniously dropped without justification. However, the original conference agreement included, at the behest of the Senate, a nongermane study of the U.S. sheep and wool industry. I have been told that provision has been taken out, but that is beside the point. This process was unfair and outrageous. For that reason, I am voting against this conference report and urging my colleagues to do likewise.

The substance of this legislation also merits a "no" vote. We are not shearing sheep with this legislation. We are shamelessly fleecing investors.

This conference report nails the State courthouse door shut to little investors who have to band together in class action lawsuits in order to recover the monies they have lost to securities fraud.

By making Federal courts the exclusive venue for most securities class action lawsuits, the conference report imposes the standards of the Private Securities Litigation Reform Act of 1995 on all securities class action lawsuits except those narrow instances specifically excluded by the report. The 1995 Act imposed heightened pleading standards on defrauded investors, a stay of discovery so that the special facts necessary to meet those heightened pleading standards could not be reached, and an unreasonably short statute of limitations or time limit for filing a fraud claim. It included no ability under that law to fully recover from professionals such as accountants and lawyers who aided and abetted in stealing funds from innocent investors. Those same standards and shortcomings are now extended across the board by fiat of the Federal Government.

Why? Because the scoundrels, rogues, rascals, and thieves that infest our capital markets dressed themselves up in sheep's clothing and convinced too many Members that they were not wolves but rather helpless and helpless victims of a litigation explosion.

My colleagues, there is no litigation explosion, particularly given the amount of securities fraud that the bull market has engendered. I ask unanimous consent that the Dissenting Views on this legislation be included in the RECORD following my remarks to expand and provide data on these points.

There also has been a covert attempt on the other side of the aisle to obliterate the ability of the SEC and defrauded investors to sue on the basis of recklessness. Shame on my Republican colleagues. Shame, shame. As SEC chairman Levitt testified before us in October last year: "[E]liminating recklessness * * * would be tantamount to eliminating manslaughter from the criminal laws. It would be like saying you have to prove intentional murder or the defendant gets off scot free * * * If we were to lose the reckless standard * * * we would leave substantial numbers of the investing public naked to attacks by * * * schemers." I ask unanimous consent to include a letter from Senator REED to the conferees on this point at the conclusion of my remarks.

Mr. Speaker, I want to support responsible reform. This is not reform and it is not responsible. I urge a "no" vote.

U.S. SENATE,
Washington, DC, October 2, 1998.

Ranking Member JOHN D. DINGELL,
Committee on Commerce, Rayburn House Office Building, Washington, DC.

DEAR RANKING MEMBER DINGELL: I write to you as a conferee on the Securities Litigation Uniform Standards Act of 1998, S. 1260. As you know, I supported Senate passage of this legislation, and voted to override the President's veto of the Private Securities Litigation Reform Act of 1995. While class action suits are frequently the only financially feasible means for small investors to recover damages, such lawsuits have been subject to abuse. By creating national standards, such as those in S. 1260, we recognize the national nature of our markets and encourage capital formation.

However, it is essential to recognize that preemption marks a significant change concerning the obligations of Congress. When federal legislation was enacted to combat securities fraud in 1933 and 1934, federal law augmented existing state statutes. States were free to provide greater protections, and many have. Many of our colleagues voted for the 1995 legislation knowing that if federal standards failed to provide adequate investor protections, state law would provide a necessary backup.

With passage of this legislation, Congress accepts full and sole responsibility to ensure that fraud standards allow truly victimized investors to recoup lost funds. Only a meaningful right of action against those who defraud can guarantee investor confidence in our national markets. Recently, on the international stage, we have seen all too clearly the problem of markets which fail to ensure that consumers receive truthful, complete information.

Therefore, my support for this bill rests on the presumption that the recklessness standard was not altered by either the 1995 Act or this legislation. I strongly endorsed the Senate Report which accompanies this legislation because it stated clearly that nothing in the 1995 legislation changed either the scienter standard or the most stringent pleading standard, that of the Second Circuit. This language was central to the legislation receiving the support of Chairman Levitt of the Securities and Exchange Commission. It was also central to my support.

As the Senate Banking Committee recognized at his second confirmation hearing, Chairman Levitt has a lifetime of experience as both an investor and regulator of markets. That experience has led him to be the most articulate advocate of the need for a recklessness standard concerning the scienter requirement. In October 21, 1997 testimony before a Subcommittee in the House of Representatives, Chairman Levitt said, "[E]liminating recklessness . . . would be

tantamount to eliminating manslaughter from the criminal laws. It would be like saying you have to prove intentional murder or the defendants gets off scot free. . . . If we were to lose the reckless standard . . . we would leave substantial numbers of the investing public naked to attacks by . . . schemers.''

In testimony before a Senate Banking Subcommittee, on October 20, 1997, Chairman Levitt further articulated his position regarding the impact of a loss of the recklessness standard. He said, ''A higher scienter standard (than recklessness) would lessen the incentives for corporations to conduct a full inquiry into potentially troublesome or embarrassing areas, and thus would threaten the disclosure process that has made our markets a model for nations around the world.''

The danger posed by a loss of recklessness to our citizens and markets is clear. We should not overrule the judgement of the SEC Chair, not to mention every single Circuit Court of Appeals that has adjudicated the issue. I would assume that the motives which led the SEC and the Administration to insist on the Senate Report language concerning recklessness would also apply to their views of the Conference Report.

With regard to the pleading standard, some Members of Congress, and, unfortunately, a minority of federal district courts, have made much of the President's veto measure of the 1995 legislation. Specifically, some have pointed out that the President vetoed the 1995 bill due to concerns that the Conference Report adopted a pleading standard higher than that of the Second Circuit, the most stringent standard at that time. As I, and indeed a bipartisan group of Senators and Representatives, made clear in the veto override vote, the President overreached on this point. The pleading standard was raised to the highest bar available, that of the Second Circuit, but no further. In spite of the Administration's 1995 veto, this preemption gained the support of Chairman Levitt. It is, therefore, difficult to understand how some can argue that the 1995 legislation changed the pleading standard of the Second Circuit.

The reason for allowing a plaintiff to establish scienter through a pleading of motive and opportunity or recklessness is clear. As one New York Federal District Court has stated, ''a plaintiff realistically cannot be expected to plead a defendant's actual state of mind.'' Since the 1995 Act allows for a stay of discovery pending a defendant's motion to dismiss, requiring a plaintiff to establish actual knowledge of fraud or an intent to defraud in a complaint raises the bar far higher than most legitimately defrauded investors can meet.

Firms which advocate for S. 1260 do so based on the need to eliminate the circumvention of federal standards and federal stays of discovery through state court filings. They do not argue for lessening of the obligations owed investors. I am concerned that should the conference committee include language which could be interpreted to eviscerate the ability of plaintiffs to satisfy the scienter standard by proof of recklessness or to require plaintiffs, barred from discovery, to adhere to a pleading standard requiring conscious behavior, the bill will loose the support of Chairman Levitt and many Members of Congress. I urge the Conference to support language included in the Senate Report and move forward with a bill that a bipartisan group in Congress can support and the President can sign.

Sincerely,

JACK REED,
U.S. Senator.

DISSENTING VIEWS FOR H.R. 1689 ON STATES RIGHTS AND INVESTOR PROTECTION

We abhor strike suits and frivolous litigation of any stripe. We would enthusiastically support responsible and balanced legislation narrowly targeted at ameliorating those abuses. H.R. 1689 does not meet that standard. We dissent from this bill.

As introduced, H.R. 1689 was an industry wish list devoid of proper safeguards to protect the essential rights of injured investors to pursue meritorious claims. The sponsors and proponents of H.R. 1689 adopted several amendments during Subcommittee and Full Committee markup to temper some of the bill's harshest elements. We commend our colleagues. The bill, nonetheless, is still flawed.

H.R. 1689 creates a national standard governing securities fraud class actions involving ''covered securities'' which are nationally traded securities and some that are not. The bill requires these class actions to be brought in federal court pursuant to federal law, where they would be subject to the more stringent terms of the Private Securities Litigation Reform Act of 1995. These terms include the double whammy of heightened pleading standards along with a stay of discovery pending a motion to dismiss, blocking the ability of defrauded investors to gain the special facts needed to meet the heightened pleading standards.

First, the bill is premature. The Securities and Exchange Commission (SEC) concluded in its April 1997 report to the President and Congress that: ''it is too early to assess with confidence many important effects of the Reform Act and therefore, on this basis, it is premature to propose legislative changes. The one-year time frame has not allowed for sufficient practical experience with the Reform Act's key provisions, or for many court decisions (particularly appellate court decisions) interpreting those provisions.'' The Chairman of the SEC testified before our finance subcommittee on October 21, 1997, that his agency had ''not had enough practical experience with the Act to produce the data necessary for us to measure its success.'' That is still the case.

Second, there is no national problem in need of a national solution. Data compiled by unbiased sources shows that the number of state securities class actions has declined during the last year to pre-Reform Act levels. In 1997, there were a total of 44 state class action securities cases, out of a total of 15 million civil filings. By comparison, 67 state class actions were filed in 1994, the year before the Reform Act became law, and 66 cases were filed in 1996, the year after the Reform Act was enacted. We note in passing that we have been shown no convincing proof that any of these lawsuits was without merit and was allowed to proceed notwithstanding its lack of merit. Moreover, as the attached map shows, the overwhelming majority of those cases were filed in California, with most states having zero filings. That being the case, shouldn't this ''problem'' be solved in the California legislature? We believe that state legislatures should be given time to consider laws of their own to address the issues raised in this debate.

We find it curious indeed that the Republican-led Congress that campaigns on returning power to the states and protecting individual choice, would champion a federal mandate abolishing important state prerogatives along with protections and rights. Forty-nine states, as well as the District of Columbia, allow for some form of aiding-and-abetting liability. There is no aiding-and-abetting liability in private actions for most federal securities fraud claims. In addition, private actions under the federal securities laws are subject to a short statute of limitations. Specifically, private actions under Section 10(b) of the Exchange Act must be brought within one year after discovery of the alleged violation, and no more than three years after the violation occurred. In contrast, 33 states allow for longer limitations periods. These investor protection laws available at the state level, as the attached list shows, will no longer be available to class action plaintiffs upon passage of H.R. 1689. The public should clearly understand the investor protections being wiped out by the elected representatives who vote yes on this bill.

Moreover, under H.R. 1689's unusual ''grouping'' provision, any time more than 50 individuals file state court complaints ''in the same court and involving common questions of law or fact,'' they will be deemed to be part of a ''class action'' subject to this bill, if ''the lawsuits are joined, consolidated, or otherwise proceed as a single action for any purpose.'' Individuals who bring suits in state court in their own name may find, if others have brought similar suits, that their claims are preempted. For instance, if an investment adviser churns the accounts of or recommends unsuitable securities to clients in a single state and more than 50 of them seek to recover in the same court, each filing their own individual action, they may be forced to constitute a class action and have to pursue their claims—if possible—in federal court. These investors may be left without a remedy. This is broader preemption than we believe is necessary or appropriate. There has been no showing that these kinds of suits, either individually or in the aggregate, present the kinds of potential abuses that have been attributed to traditional class actions and strike suits.

The debate on this legislation has been polar. It has tarred all private securities fraud litigation as meritless strike suits, and all defendant companies, accountants, and broker-dealers as innocent victims of large-sum-settlement highjackings. Through this lens, unintended harm to legitimate lawsuits is viewed as a reasonable tradeoff. We disagree on both counts.

The record shows that securities fraud is up. Many of those cases involve accounting frauds. The SEC has always taken the view that private lawsuits are a crucial adjunct to the SEC's own enforcement program. They are the principle means by which investors have recovered losses caused by fraud. Proponents of H.R. 1689 argue that investors recover only ''10 cents on the dollar'' in these cases. We agree that we need to put investors first. But nothing in this bill addresses the recovery issue in any way.

For these reasons, we oppose this bill and urge the House to do the same.

JOHN D. DINGELL.
EDWARD J. MARKEY.
BART STUPAK.
DIANA DEGETTE.

STATE BY STATE COMPARISON OF STATUTE OF LIMITATIONS AND AIDING AND ABETTING LIABILITY

Locality	Statute of limitations	Aiding and abetting
Federal	1 year after discovery/3 years from sale	No.
Alabama	2 years after discovery of the facts	Yes.
Alaska	3 years from the contract of sale	Yes.
Arizona	2 years after discovery of the facts	Yes.
Arkansas	5 years after discovery	Yes.
California	1 year after discovery/4 years from sale	Yes.
Colorado	3 years after discovery/5 years from sale	Yes.
Conneciticut	1 year after discovery/3 years from sale	Yes.
Delaware	3 years form the contract for sale	Yes.
D.C.	2 years from the transaction upon which it is based.	Yes.
Florida	2 years after discovery/5 years from sale	Yes.
Georgia	2 years from the transaction upon which it is based.	Yes.
Hawaii	2 years after discovery/5 years from sale	Yes.

STATE BY STATE COMPARISON OF STATUTE OF LIMITATIONS AND AIDING AND ABETTING LIABILITY—Continued

Locality	Statute of limitations	Aiding and abetting
Idaho	3 years from the contract of sale	Yes.
Illinois	3 years after discovery/5 years from sale	Yes.
Indiana	3 years after discovery of the facts	Yes.
Iowa	2 years after discovery/5 years from sale	Yes.
Kansas	3 years after discovery of the facts	Yes.
Kentucky	3 years from the contract for sale	Yes.
Louisiana	2 years from the transaction upon which it is based.	Yes.
Maine	2 years after discovery of the facts	Yes.
Maryland	1 year after discovery/3 years from sale	Yes.
Massachusetts	4 years after discovery	Yes.
Michigan	2 years after discovery/4 years from sale	Yes.
Minnesota	3 years from the contract for sale	Yes.
Mississippi	2 years after discovery of the facts	Yes.
Missouri	3 years from the contract for sale	Yes.
Montana	2 years after discovery/5 years from sale	Yes.
Nebraska	3 years from the contract for sale	Yes.
Nevada	1 year after discovery/5 years from sale	Yes.
New Hampshire	6 years from the contract for sale	Yes.
New Jersey	2 years after discovery of the facts	Yes.
New Mexico	2 years after discovery/5 years from sale	Yes.
New York	6 years after sale	N/A.
North Carolina	2 years after discovery of the facts	Yes.
North Dakota	5 years after discovery of the facts	Yes.
Ohio	2 years after discovery/4 years from sale	Yes.
Oklahoma	2 years after discovery/3 years from sale	Yes.
Oregon	2 years after discovery/3 years from sale	Yes.
Pennsylvania	1 year after discovery/4 years from sale	Yes.
Rhode Island	1 year after discovery/3 years from sale	Yes.
South Carolina	3 years from the contract for sale	Yes.
South Dakota	2 years after discovery/3 years from sale	Yes.
Tennessee	1 year after discovery/2 years from sale	Yes.
Texas	3 years from discovery/5 years from sale	Yes.
Utah	2 years after discovery/4 years from sale	Yes.
Vermont	6 years from the contract for sale	Yes.
Virginia	2 years from the transaction upon which it is based.	Yes.
Washington	3 years after discovery of the facts	Yes.
West Virginia	3 years from the contract for sale	Yes.
Wisconsin	3 years after discovery of the facts	Yes.
Wyoming	2 years from the transaction	Yes.

ADDITIONAL DISSENTING VIEWS OF CONGRESSMAN RON KLINK ON H.R. 1689, SECURITIES LITIGATION UNIFORM STANDARDS ACT

H.R. 1689 is a solution in search of a problem.

In 1995, the Commerce Committee developed and Congress approved, over a presidential veto, the Private Securities Litigation Reform Act, which put strict limits on federal investor class action lawsuits. I opposed that legislation because I was concerned about preventing defrauded investors from being made whole again. But my side lost, and we all moved on.

One of the arguments when we debated the 1995 Act was that truly victimized investors could still seek redress in state court. So there was some comfort in that; retirees who lost their life savings to securities fraud could still pursue legal action.

Now, however, I fear that the Committee is moving to cut off the state avenue for class action securities suits. That could mean that investors would have no ability to seek relief from securities wrongdoers, and that is unacceptable to me.

There appears to be no explosion of state securities class actions, so I see no real need for this bill. Last year there were only 44 throughout the entire country, the lowest number in five years.

Furthermore, at a time when there are more investors than at any time in history, many of them unsophisticated investors, we should not be making it easier to get away with securities fraud. We owe that to our investor constituents and we owe that to the capital markets in this country, which remain the strongest in the world.

Additionally, though the bill contains a provision similar to the Sarbanes amendment in the Senate bill, which provides for an exemption from the bill for state and local entities, this provision goes beyond Sarbanes to require those entities to be named plaintiffs in and authorize participation in state securities class actions. This assumes a level of sophistication that may be lacking in these investors.

I will provide an example. Last year, the SEC alleged that Devon Capital Management had defrauded 100 municipal clients in Pennsylvania and elsewhere. Those clients included 75 school districts, mostly in Western and Central Pennsylvania. Devon and the SEC reached a settlement, and those school districts are expected to recover a little over half of the $71 million that Devon lost.

Now how can we say that these same school districts and local governments that were unsophisticated enough to have invested with Devon in the first place and lost all this money, are, at the same time, sophisticated enough to recognize the steps they need to take to preserve their rights to bring a state securities class action under this bill?

I would prefer that, at the very least, the Sarbanes amendment exempting state and local governments and pension plans be maintained as it passed the Senate.

Finally, I am disturbed by the trend I am seeing in the Committee and Congress as a whole in our attitude toward investors, especially the mom and pop investors we all represent. As I said, I opposed the 1995 Securities Litigation Reform Act. That was followed closely by the Fields Securities Reform bill, which threatened to severely limit the ability of state securities regulators, the local cops on the beat in the securities world, to protect investors. In Committee and in conference, we were able to temper this legislation so that investors would not be left vulnerable.

We are at a point in time when Members of Congress and others are talking about privatizing Social Security. That will lead to even more unsophisticated investors and hundreds of billions of dollars going into the marketplace. And yet we continue to talk about reducing investor protections.

Another question I have is, are we now saying to the states that we in Washington, DC, know better than the states what cases should go through state courts and which should not. Are we next going to tell the states that they can't hear real estate cases? Are we going to tell them they can't hear tobacco cases? What comes next?

I never thought I would see the day when my Republican colleagues would want to dictate from on high in Washington, DC, what state law should be.

□ 1515

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. OXLEY), chairman of the subcommittee.

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, I obviously rise in strong support of the conference report. If fraud were the only reasons that stock prices dropped, then today's volatile markets would suggest that there is not an honest company out there. That is simply not the case.

Publicly traded companies, their shareholders, and their employees lose every time a company has to pay off and their lawyers have to settle a lawsuit that is based on one fact only, that the company stock dropped in value.

In 1995, the Congress approved, with an overwhelmingly bipartisan majority that overrode a presidential veto, legislation to stop these ''blackmail settlements.'' The Private Securities Litigation Reform Act of 1995 was designed to put an end to frivolous lawsuits that drain values from public companies and wastefully diverted their resources. This conference report closes a loophole that has enabled plaintiffs' lawyers to continue to extract settlements from companies that have done absolutely nothing wrong.

The conference report prevents lawyers from evading the protections of the Reform Act by filing their lawsuit in State court. The conference report creates a national standard under which securities class actions must be filed and that standard is the one that Congress resoundingly approved back in 1995.

The conference report preserves the ability of individual investors to file suits that are appropriately brought in State courts, while preventing lawyers from using securities class actions filed in State court for their personal gains.

This legislation represents a bipartisan effort to work through our political differences and reach compromises that are responsible public policy. In fact, over the last 4 years, the Committee on Commerce has produced a number of bills which have made a significant improvement to the laws governing our financial institutions and that have enjoyed support from both sides of the aisle. I am very proud of these accomplishments. This legislation should be added to that list.

There are many who deserve credit for bringing this legislation to the floor today. Several Committee on Commerce members, including the gentleman from Washington (Mr. WHITE), the original cosponsor of the House bill, and the gentlewoman from California (Ms. ESHOO), the other original cosponsor. They not only started the ball rolling, but have worked incessantly to keep this legislation on track and have driven us crazy at the same time.

I commend our counterparticipants in the Senate for their fine work improving upon the bill as originally introduced by the gentleman from Washington (Mr. WHITE) and the gentlewoman from California (Ms. ESHOO), and for their cooperation during the conference.

I thank our full committee chair, the gentleman from Virginia (Mr. BLILEY), whose leadership and perseverance has ensured that this conference report is a strong win for American investors and American businesses and, therefore, American jobs. Thanks to his hard work, as well as that of the other conferees supporting this measure, the conference report ratifies the heightened pleading standard that was adopted in the 1995 Reform Act.

While we may disagree on this particular initiative, I appreciate the constructive work done by the gentleman from Michigan (Mr. DINGELL), who, as always, has been a true legislative craftsman in this area.

Finally, on a personal note, I would like to thank the gentleman from New York (Mr. MANTON), our retiring ranking minority member of my subcommittee, not only for his work and

support for this legislation, but for his years of friendship to me and dedication to the Committee on Commerce and the House. I wish him the best. We will all miss him.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from California (Ms. ESHOO).

(Ms. ESHOO asked and was given permission to revise and extend her remarks.)

Ms. ESHOO. Mr. Speaker, I rise today in support of the conference report on the Securities Litigation Uniform Standards Act. I am very proud to have been the chief Democratic sponsor of this legislation which is narrowly focused and a bipartisan bill that closes a loophole in the 1995 Private Securities Litigation Reform Act.

With the overwhelming support, which was bipartisan in the last Congress, we passed that act. That bill significantly curbed the filing in Federal courts of costly and meritless suits against fast-growing companies. ''Strike suits'' forced companies to settle, and they did so rather than face drawn out expensive court proceedings.

These frivolous suits, traditionally filed in Federal courts, are now being filed in State courts circumventing the intent of the Congress in the 1995 legislation. Studies have shown that over a quarter of these cases were filed in State courts where the Federal reforms do not apply. The Securities Litigation Uniform Standards Act closes this loophole by assuring that lawsuits involving nationally traded securities remain in Federal courts where they have always been heard.

This legislation is limited in scope and only affects class action lawsuits involving nationally traded securities. Lawsuits traditionally heard in the Federal courts will continue to be heard there under the Federal law. State regulators would continue to have the ability to enforce State laws and bring civil actions.

The Securities Litigation Uniform Standards Act is supported by the Securities and Exchange Commission, the Clinton administration, and 231 House cosponsors. I urge the passage of this legislation.

Mr. Speaker, let me just say in closing that I would like to offer my thanks to the gentleman from Virginia (Mr. BLILEY), chairman of the full committee, who has been a wonderful partner. And I also have to acknowledge and thank him for putting up with my constant cajoling and prodding and partnering on this.

Certainly to a worthy opponent, the gentleman from Michigan (Mr. DINGELL), ranking member of the Committee on Commerce, and to my cosponsor, worthy cosponsor on the other side of the aisle, the gentleman from Washington (Mr. WHITE), to the gentleman from Louisiana (Chairman TAUZIN) of the subcommittee and the gentleman from Ohio (Mr. OXLEY), thanks for their help and accepting my prodding.

I have to say that I think all of us are ready to leave town. I am beginning to start to pack my bag this evening. I know we have some other things on the agenda. This, Mr. Speaker, has been the daily work not only of my office and staff, but also from the other side of the aisle. I want to acknowledge all that have been involved in this. I think that this Congress is distinguishing itself by the passage of this bill, and I urge passage and I thank all that have been involved in it.

Mr. Speaker, I want to add to today's debate my voice on a particular section of the Conference Report regarding scienter.

The Statement of the Managers indicates that ''it was the intent of Congress, as was expressly stated during the legislative debate on the Reform Act, and particularly during the debate on overriding the President's veto, that the Reform Act establish a heightened uniform Federal standard on pleading requirements based upon the pleading standard applied by the Second Circuit Court of Appeals. Indeed, the express language of the Reform Act itself carefully provides that plaintiffs must 'state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind.' The Managers emphasize that neither the Reform Act nor S. 1260 makes any attempt to define that state of mind.''

As the chief Democratic sponsor of the Securities Litigation Uniform Standards Act and of the PSLRA of 1995, and a signatory of the conference report on S. 1260, the pleading standards referred to in the Report state with great clarity the intent of Congress with respect to scienter and are ones which I wholeheartedly support.

Mr. BLILEY. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. COX), the chairman of the Republican Policy Committee.

Mr. COX of California. Mr. Speaker, I thank the gentleman from Virginia (Mr. BLILEY) for yielding me this time.

Mr. Speaker, if the gentleman from Virginia will entertain one, I would like to engage him in a colloquy.

As the gentleman knows, I was the principal author of the 1995 Securities Litigation Reform Act. During consideration of the Securities Litigation Uniform Standards Act, which will extend the 1995 act to State courts, some questions have been raised about the pleading standard that we adopted in 1995. Specifically, some have argued post facto that we adopted the pleading standard of the Second Circuit Court of Appeals rather than a higher standard derived from it, but without the Second Circuit caselaw.

The same questions have been raised in a different way concerning the so-called Specter amendment to the 1995 act, which would have added language related to motive, opportunity, and recklessness. The House strongly disagreed with the Specter amendment and insisted that it be dropped before we would agree to the conference report.

Since we were both conferees in 1995, I would ask the gentleman his views on both points. Specifically, I would ask the gentleman whether he agrees that in 1995 we adopted a pleading standard higher than any in existing law. Although it was based on the standard from the Second Circuit, it was significantly higher because our hearings showed that even in the Second Circuit the existing standards were failing to screen out abusive cases.

As the 1995 Statement of Managers stated, ''the House and Senate hearings on securities litigation reform included testimony on the need to establish uniform and more stringent pleading requirements to curtail the filing of meritless lawsuits.'' For that reason, the 1995 Managers' Statement explained that the act incorporated a pleading standard derived from, but higher than, the highest standard in existing law, the Second Circuit standard.

Mr. Speaker, let me quote from the 1995 Managers' Statement, the most authoritative construction of the 1995 act: ''The Conference Committee language is based in part on the pleading standard of the Second Circuit . . . Because the Conference Committee intends to strengthen existing pleading requirements, it does not intend to codify the Second Circuit's caselaw interpreting this pleading standard.''

The 1995 Managers' Statement went on to explain that this was the very reason the conferees dropped the so-called Specter amendment on motive, opportunity, and recklessness, because we wanted the standard higher than the Second Circuit's, not because the Specter language authorizing shortcuts to pleading rigor was somehow implicit in the act's language. The House prevailed on this point.

Again, I quote, ''For this reason, the Conference Report chose not to include in the pleading standard certain language relating to motive, opportunity, and recklessness.''

So, the record in 1995 is clear: we adopted a higher standard than the Second Circuit and in particular we rejected the Second Circuit caselaw embodied in the Specter amendment regarding motive, opportunity, and recklessness. Indeed, the President's veto, according to his own veto message, was based on the fact that the 1995 act adopted a higher pleading standard than the Second Circuit standard, and rejected existing Second Circuit caselaw embodied in the Specter amendment. Both bodies of Congress overrode that veto.

In the conference report Managers' Statement for the bill that is before us today, the House expressly rejected Senate report language that would have rewritten the 1995 legislative history on the pleading standard. That language is not in this conference report Managers' Statement.

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. COX of California. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Speaker, I thank the gentleman from California. His recollection of both points is the same

as mine. I view the legislative history accompanying S. 1260 as consistent with that understanding.

Mr. COX of California. Mr. Speaker, reclaiming my time, I thank the gentleman. I agree with the gentleman's understanding of S. 1260's legislative history. I also note that courts correctly treat so-called post-enactment legislative history as virtually worthless. But to the extent that courts have any interest in what the 105th Congress thinks the 104th Congress did in 1995, I trust they will compare this year's Senate Banking Committee report language with what both Houses ultimately agreed to in this conference committee Managers' Statement. Where the Senate report on S. 1260 states that the 1995 act ''establish[ed] a uniform Federal standard on pleading requirements by adopting the pleading standard adopted by the Second Circuit Court of Appeals'', the more authoritative Managers' Statement states that in 1995 we ''establish[ed] a heightened uniform Federal standard based upon the pleading standard applied by the Second Circuit Court of Appeals.''

The House managers insisted on these changes to reaffirm what the conferees said in 1995: We adopted a pleading standard higher than the then-existing Second Circuit standard.

Mr. Speaker, once more, Congress is making huge strides toward protecting investors and workers in public companies. I'm pleased that the House will today complete work on S. 1260, the Securities Litigation Uniform Standards Act of 1998. I want to congratulate my colleagues, Mr. WHITE and Ms. ESHOO, for their leadership in introducing this legislation, as well as Chairmen MIKE OXLEY and TOM BLILEY for their tireless efforts on behalf of this issue.

S. 1260 builds on two landmark achievements of the 104th Congress: the 1995 Private Securities Litigation Reform Act, a key element of the Contract With America, and the 1996 National Securities Markets Improvement Act. In the 1995 Reform Act, we acted to stop the egregious perversion of federal securities laws into weapons to injure investors and companies rather than safeguards to protect investors from securities fraud. Trial lawyers, using professional plaintiffs, were filing class action lawsuits against publicly traded companies alleging fraud, often with no more evidence than a drop in the price of these companies' stock—something quite common in the highly volatile high-technology markets. Indeed, over half of the top 150 companies in California's Silicon Valley were hit by such suits. Due to the considerable cost involved in fighting such a lawsuit, innocent employers were routinely forced to pay investors' money as tribute to the trial bar. Yet the enormous price they had to pay—according to one study, on average nearly $9 million for each settlement—did little for defrauded investors. The plaintiffs, the supposed beneficiaries of this system, on average received between 6 and 14 cents on the dollar.

A strong bipartisan majority of the House and Senate acted in 1995 to reorient federal securities litigation to encourage investors to bring meritorious claims while protecting innocent employers from meritless extortion suits. We acted to protect the millions of innocent investors who were bearing the cost of abusive lawsuits while gaining little or no recompense for genuine fraud.

In 1996, strong bipartisan majorities of the House and Senate again turned to the issue of securities law, this time addressing the appropriate division of labor between state and federal securities regulators. In that historic bill we determined that ''covered securities''—basically, those traded on national exchanges—would be subject to federal regulation, while non-covered securities would be regulated by the states.

Today we are going to continue our work in this field of law by protecting the gains we made in the 1995 Reform Act from circumvention by entrepreneurial trial lawyers, and by harmonizing the 1995 Reform Act and the 1996 National Markets legislation.

Trial lawyers have sought to get around our 1995 reforms by bringing their suits in state courts, where those reforms do not apply. Yet as our capital markets are national, and thus investors may live in any of the 50 states, bringing a suit in one state unfairly imposes a financial burden on residents of another state. To address this inequity and assert that national markets require nationally applied rules, this legislation will make federal courts the exclusive venue for large-scale securities fraud lawsuits involving securities subject to federal regulation under the 1996 National Markets Act.

Like the 1995 and 1996 enactments, Representative WHITE's bill enjoys wide bipartisan support. Throughout the process leading up to enactment, we have sought to address the concerns of majority and minority members in the legislation. Our success in so doing is reflected in the wide bipartisan support this legislation received in the House and Senate.

In addition, I want to particularly thank Chairman BLILEY and Chairman OXLEY for including in the bill a technical correction to the 1996 Fields national markets legislation. This correction restores the viability of Section 3(a)(10) of the Securities Act of 1933, which provides a voluntary state-law alternative to federal securities registration. This provision—which has been an unamended part of the 1933 Act since the enactment of that legislation, exempts from federal registration securities issued in exchange for other securities, claims, or property interests, if the terms and conditions of the issuance and exchange have been approved as fair by state authorities. It is purely voluntary; issuers may still seek federal registration if they wish. Although the 1996 Act does not amend Section 3(a)(10), it inadvertently impeded its operation. I appreciate the Chairmen's consideration in including in the bill a curative technical amendment endorsed by the California Department of Corporations.

I look forward to final passage of this conference report, and I thank the Chairmen and my colleagues, RICK WHITE and ANNA ESHOO, for their tireless efforts on behalf of this legislation.

Mr. DINGELL. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, one of the most shameful things that has occurred during the course of the debate on this bill was the covert attempt that was made to eviscerate the ability of the SEC and defrauded investors to sue reckless wrongdoers.

In the Silicon Graphics case, a Federal District Court in California actually ruled that the act had eliminated recklessness as a standard for liability under the Federal securities laws, subsequently concluding that only deliberate recklessness, a legal oxymoron, would meet the Reform Act's pleading standards.

Now, while I oppose this bill, I also feel quite strongly that if this bill is to become law, we needed to make it absolutely clear that we had not changed the scienter requirements in either the Reform Act or in this legislation.

During floor consideration of the House version of this bill, my colleague from California articulated his view that the standard did not include recklessness. I strongly disagree, and believe that this mischaracterized the intent of Congress in both the Securities and Exchange Act of 1934, and the Reform Act of 1995, for which I was a conferee, along with the gentleman from Michigan (Mr. DINGELL), and the currently pending legislation.

I am pleased to see that the Statement of Managers, which was provided to my office by the Committee on Commerce majority staff and which bears the signatures of the conferees to this act, has recognized that neither the Reform Act nor S. 1260 alters the scienter standard of the Exchange Act.

I must note with some dismay, however, that the Statement of Managers on this bill, which was filed in the CONGRESSIONAL RECORD on October 9, does not contain essential legislative history from the original Statement of Managers provided to my office. I am informed that this was due to a clerical error, which resulted in the inadvertent deletion on page 4 of the Joint Statement. While some Members on this side, including myself, find it rather curious that this particular page mysteriously turned up missing, given how much time and effort was given to working this language out, I will accept this explanation at face value and I am pleased that the gentleman has made it clear that the version has been corrected and will be filed in the RECORD in connection with today's debate.

□ 1530

There should be absolutely no ambiguity with respect to the intent of the Congress with respect to the fact that recklessness is and always has been a part of the scienter standard.

The Federal courts have long recognized that recklessness satisfies the scienter requirement of section 10(b) and rule 10b-5, the principal antifraud provisions of the securities laws. It is true, as the statement of managers notes, that in Ernst & Ernst v. Hochfelder, the Supreme Court left open the question of whether the recklessness could satisfy the scienter requirement of section 10(b) and rule 10b-5. However, the statement of managers

failed to note that the court explicitly recognized that in certain areas of the law recklessness is considered to be a form of intentional conduct for purposes of imposing liability for some act. So I agree with the statement of the managers that the 1995 Private Securities Litigation Reform Act, that the gentleman from Michigan (Mr. DINGELL) and I were conferees on, did not change the scienter requirement for liability.

I am deeply troubled, however, by attempts which were made, some late in the course of the debate on S. 1260, to suggest that the reform act had in fact raised the pleading standard beyond that of the Second Circuit which at the time the reform act was passed was the strictest pleading standard in the Nation. That clearly was not my understanding in 1995, nor the gentleman from Michigan (Mr. DINGELL).

I am pleased to that this erroneous interpretation has been rejected today. To have done otherwise would have created an illogical result. Because the antifraud provisions allow liability for reckless misconduct, it follows that plaintiffs must be allowed to plead that the defendants acted recklessly. To say that defauded investors can recover for reckless misconduct but that they must plead something more than reckless misconduct would have defied logic.

During the course of the debate on this bill, it has been suggested by some that a footnote in the statement of managers from the 1995 reform act proves that Congress had adopted in 1995 a pleading standard different from the Second Circuit court standard. This footnote, which was inserted at the last minute without our knowledge, the gentleman from Michigan (Mr. DINGELL) or I, stated that the committee chose not to include in the pleading standard certain language relating to motive, opportunity or recklessness. This footnote, and make no mistake about it, that is all it is, merely a footnote in a statement of managers drafted by a staffer without the full consideration of all the House and Senate Members appointed as conferees at that time to the 1995 act, including myself, does not mean that recklessness has been eliminated either as a basis for liability or as a pleading standard.

Existence of this footnote in no way mandated the courts not follow the second circuit approach to pleading. The conference committee and the Congress that passed the reform act also chose not to expressly include conscious behavior in the pleading standard.

Yet surely no one would suggest that in so doing the conference committee and Congress intended to eliminate liability for conscious misconduct. As the statement of managers for S. 1260 clearly indicates, it was the intent of Congress when it passed the reform act back in 1995 to adopt the Second Circuit standard.

Mr. Speaker, I insert this and additional material to clarify any misinterpretation or misunderstanding that might exist on this issue, and I must conclude in saying that I find the colloquy that just took place between the gentleman from California (Mr. COX) and the gentleman from Virginia (Mr. BLILEY) does not comport with the facts as we understand them on our side and is not in fact the intent of the law.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. WHITE), one of the chief sponsors of this legislation.

Mr. WHITE. Mr. Speaker, I thank the gentleman for yielding me the time.

In the 18 months or so since the gentlewoman from California and I introduced this bill, I believe it was in May of 1997, we have had lots and lots of debate on the merits of this bill. Suffice it to say, it is a very good bill. It fixes a loophole that we left in the 1995 act, and I think we have had a lot of discussion today about why that is a good thing.

Admittedly there are some Members who did not like the 1995 act. They do not like this bill either. I think the gentleman from Massachusetts and the gentleman from Michigan fall into that category. But there were 300 some plus of us who did like the 1995 act, who do like this act, who passed it before, and I think it is time for us to go forward.

Rather than spending any more time talking about the merits, I think this is a time for thanks. I would like to thank some Members who have been very important in passing this bill. First and foremost, the gentlewoman from California who has been an absolutely diligent and persuasive and persevering advocate for this bill. I never minded it. I thought that was our job, and I think she did a really good job. Second, the chairman of our committee, the gentleman from Virginia (Mr. BLILEY), who always took up our case with the leadership, always made sure we had time to debate this, always was a good supporter and helper on this bill. Thirdly, the gentleman from Ohio (Mr. OXLEY) who listened to our pleas that he schedule in our committee plenty of time for hearings and was very supportive once the hearings got going, a very good supporter of this bill. I thank them all for getting this done.

I should also make sure that some of the people who did the real work, the staff, are also recognized. Here I cannot say enough about David Cavicke and Linda Rich on our side of of the aisle. I know there were many members on the minority side who also worked hard on this. I could not leave the floor without thanking Leslie Dunlap on my staff and Josh Mathis who worked very hard on this.

Mr. Speaker, I am very pleased we are at this point. It has been a long, hard road, but I think we have done something good for our country.

Mr. DINGELL. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. STUPAK).

(Mr. STUPAK asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. STUPAK. Mr. Speaker, I rise in strong opposition to the bill before us today.

Two years ago, Congress passed the Private Securities Litigation Reform Act—that changed all the rules for investors, like people who invest in today's stock market. Now, proponents want to extend an untested federal system that will supersede state law. If we pass this bill, Congress—will place all investors into a largely untested new federal system, that will make it very difficult for investors to prove fraud.

Many of the proponents of this bill claim that it corrects an oversight from the Private Securities Litigation Reform Act of last Congress. This claim is disingenuous and false. These same members claimed during the 1995 debate over the Private Securities Litigation Reform Act that investors would continue to have protection through the state courts. The prime sponsor of the legislation explicitly stated that state courts would continue to be an avenue for defrauded investors. Now, these members are seeking to pre-empt these laws.

If this legislation passes, it will over-rule, do away, with the aiding and abetting liability in 49 states. It will do away with 33 state statute of limitation provisions—we are now telling the states they have to protect their citizens with an untried, untested federal system—the federal government will now tell you what protections, states can afford their citizens.

It is important to remember that the state ''blue sky laws'' predate the existent of federal securities law. When Congress wrote the Securities Act of 1933 and the Securities Exchange Act of 1934, they did not impose liability and aiders and abettors or insert an adequate statute of limitations. Congress declined to take these steps because Congress felt it was necessary to allow the states to decide these state issues. Today, if you vote for this bill you will take away from investors protections they have enjoyed under state law.

Chairman Levitt of the Securities Exchange Commission, consumer groups, municipal officers all supported maintaining these provisions, but they were denied by the supporters of this bill.

Record numbers of small investors are entrusting their life savings to the stock market. There are a number of proposals to allow the Social Security Trust Fund to be invested in the stock market. Now more than ever, these small investors need to be protected from fraudulent securities transactions. 28 million Americans over the age of 65 depend on investment income to meet part of their expenses.

In fact, a number of articles that recently appeared in newspapers across the country have highlighted continuing concerns with the ''gimmicks,'' ''hocus pocus'' and ''illusions'' that companies use in their accounting practices. I am inserting into the RECORD three articles describing this problem at the end of my statement.

Proponents of this bill claim its passage will benefit investors. I am amazed/bemused by this statement because consumer groups, institutional investors, state pension boards and retirement plan administrators, county officials and many other groups oppose this bill.

This federal pre-emption is not necessary. Proponents will also argue that this bill is necessary because there has been an increase in the number of suits in state courts since the passage of the Private Securities Litigation Reform Act. Yet in 1997 there was a decrease in private securities as compared to levels before the passage of the PSLRA.

Nationwide, private security litigation state filings account for less than (100th of 1) percent of state civil filings nationwide. I believe that it is irresponsible and unnecessary to supersede the law of 50 states. The joint system of state and federal causes of action have existed for over 60 years, I do not believe we need to pre-empt 50 state laws with an untried, untested federal system.

Mr. Speaker, the process surrounding this so called ''conference'' has been nothing short of appalling. We held no conference meetings, neither my staff nor Mr. Dingell's staff were consulted on the substance of the Conference Report. Even at this point, I have not been asked whether I would like to sign the Conference Report. It is unfortunate that relations have sunk so low in this Congress, that the majority would not extend the courtesy and professional respect that we always extended them.

I want to make one final, important point this bill does not change the see-enter standard in the Securities Act as the Statement of Managers points out. In fact, Senate bill managers have made clear their view that the see-enter is the appropriate standard. I am inserting into the RECORD an exchange of letters between a number of the Banking Committee Senators, Chairman Levitt and the White House clarifying this point.

Mr. Speaker, I believe this bill will make it easier for charlatans and ''rip off'' artists to defraud investors, especially senior citizens. I hope I am wrong. But before we pass this bill, I ask all members to contemplate whether or not they want to make it easier for their constituents to become victims of fraud. I urge you to vote against this bill and protect investors.

[From the Washington Post, Sept. 29, 1998]

LEVITT TARGETS PROFIT DISTORTIONS

NEW YORK, SEPT. 28.—Securities and Exchange Commission Chairman Arthur Levitt Jr. complained today of widespread company manipulation of financial reports and outlined a series of steps to halt ''earnings management.''

''Increasingly, I have become concerned that the motivation to meet Wall Street earnings expectations may be overriding common sense business practices,'' Levitt said in a speech prepared for delivery here this evening.

Corporate executives, auditors, and Wall Street analysts are increasingly part of ''a game of nods and winks'' in which financial reports are ''distorted'' to meet analysts' projections, Levitt said.

In his broadest criticism of accounting problems, the top U.S. securities regulator said these misleading results jeopardize ''the credibility of our markets.''

Levitt said the SEC soon will issue new rules and provide better guidance on existing rules to offer clear ''do's and don'ts'' on revenue recognition, restructuring reserves, materiality and disclosure.

In addition, the New York Stock Exchange and the National Association of Securities Dealers will form a panel to issue a report on improving the performance of the audit committees of corporate boards and formulating ''best practices'' in the accounting and auditing area. The panel, headed by John C. Whitehead, former co-chairman of Goldman Sachs & Co., and corporate governance expert Ira Millstein, will make its recommendations within 90 days.

For accounting practices that aren't acceptable, Levitt promised the SEC's enforcement staff will ''aggressively act on abuses'' at public companies that appear to be managing earnings through major write-offs, restructuring reserves or other questionable practices.

Levitt described an array of accounting ''gimmicks,'' ''hocus-pocus'' and ''illusions'' companies use to manipulate earning reports. Specifically, he cited misuse of so-called ''big baths,'' which are large, one-time restructuring write-offs companies use to disguise operating expenses.

Levitt conceded the problem isn't new, but he said accounting gimmickry is on the rise, fueled by the bull market.

[From the San Jose News, Sept. 29, 1998]

SEC DINGS TECH FIRMS

It is upgrade time at America Online.

The Securities and Exchange Commission has ordered the online service and the rest of the technology industry to improve the way they account for mergers and acquisitions.

The issue is how technology companies have seized on a footnote in the accounting rules related to research expenses to write off most of the purchase price of companies as soon as they acquire them. This prevents a continuing drag on profits that would result from writing off the purchase price over several years.

The SEC's move comes as it is cracking down on a number of accounting practices it finds abusive. In comments at New York University, commission Chairman Arthur Levitt Jr. said his staff would immediately increase its scrutiny of companies that use certain aggressive accounting techniques to inflate their quarterly earnings.

In choosing to make an example of America Online, the biggest Internet company, the commission took the extreme step of blocking it from publishing its fiscal fourth-quarter earnings for nearly two months.

America Online finally reached an agreement with the SEC and published its earnings Monday. It wrote off $70.5 million related to research at two companies it acquired, representing 22 percent of the $316 million it had paid for them. Previously the company had said it planned to write off the vast majority of the purchase price, though it gave no specific figures.

Separately, Lynn Turner, the SEC's chief accountant, called on the accounting industry to tighten its rules related to writing off the cost of research. In a letter to the American Institute of Certified Public Accountants, he said that a study by the SEC had found ''significant problems in the recognition and valuation'' of the research write-offs.

The letter outlined a proposed standard for such write-offs that is much stricter than accountants have been using. And the commission threatened to make companies take the embarrassing step of restating their published earnings reports in cases where it deems their research write-offs to be ''materially misleading.''

Analysts said the change could inhibit acquisitions, especially by smaller technology companies.

''It has more significance for other companies besides AOL,'' said Keith Benjamin, an analyst at Banc-Boston Robertson Stephens Inc. ''You will see more young Internet companies forced to take lower write-offs.'' America Online is less affected, he said, because it has become big enough to absorb the additional charges.

At issue is how companies account for the value of ''in-process research and development''—research that has yet to be turned into a marketable product—at companies they buy. In an acquisition, companies estimate the value of all of the assets they are buying, both tangible ones like buildings and intangible assets like brand names and customer lists. If the purchase price is higher than the value of all of these assets—and it usually is—the remainder is added to a catch-all item known as good will.

Companies are forced to write off the value of all of these assets over a period of from three to 40 years, depending on the useful life of the asset. The one exception is in-process research, which is written off immediately.

Since technology companies are especially interested in showing investors accelerating earnings growth, many have started attributing the bulk of their acquisition costs to in-process research.

The SEC letter listed a number of what it described as ''abuses'' in this practice. In one case, for example, a company that the commission did not name wrote off nearly all the purchase price of an acquisition as in-process research, even though the target company had not spent a significant amount of money on research or development.

''If a company didn't spend significant amounts on R&D, it would raise questions in my mind,'' said Baruch Lev, a professor of accounting at New York University. He conducted a study of 400 acquisitions, mostly of technology companies, and found that the buyers wrote off 75 percent of the purchase price as in-process research.

Shares of America Online increased $2.38 Monday, to $117.13.

Jonathan Cohen, an analyst with Merrill Lynch, said the market was not concerned with the deductions from profits.

''Reported earnings is one small piece of a larger picture at technology companies that includes revenue growth, market position, audience size and brand equity,'' he said.

[From the New York Times, Sept. 29, 1998]

''TRICK'' ACCOUNTING DRAWS LEVITT CRITICISM

(By Melody Petersen)

Scolding America's companies and their accountants for using ''accounting hocus-pocus,'' Arthur Levitt, the chairman of the Securities and Exchange Commission, said yesterday that his staff would crack down on businesses that used certain controversial accounting methods to manipulate the numbers reported to shareholders.

Mr. Levitt's surprisingly harsh criticism and his far-reaching plan to stop the accounting abuses came after a string of companies have announced that the profits they previously reported were wrong. Among the companies where such announcements have led to large declines in stock prices are Cendant, Sunbeam, Livent and Oxford Health Plans.

''We see greater evidence of these illusions or tricks,'' Mr. Levitt said at a news conference at New York University. ''We intend to step in now and turn around some of these practices.''

Although he did not name any corporations, Mr. Levitt said his staff would immediately increase its scrutiny of companies that used certain aggressive accounting techniques to inflate their quarterly earnings and would soon issue new accounting rules and guidelines intended to halt the abuses.

He also called for a review of how the nation's public accounting firms audit financial statements, saying he feared that auditors might not be doing enough to find their clients' accounting shenanigans.

''We rely on auditors to put something like the Good Housekeeping Seal of Approval on the information investors receive,'' Mr. Levitt said in a speech prepared to be delivered later at the university's new Center for Law and Business. ''As I look at some of the failures today, I can't help but wonder if the staff in the trenches of the profession have the training and supervision they need to insure that audits are being done right.''

The American Institute of Certified Public Accountants and several large accounting firms praised Mr. Levitt's plan, saying they shared his concerns and were eager to work with the commission on the issue.

Mr. Levitt said that the commission's enforcement division would focus on companies that use certain accounting methods that allow them to ''manage earnings'' so that profits can be increased or decreased at will in such a way that the bottom line does not reflect actual operations.

He specifically said that the commission was frustrated with companies that used a factory closing or a work force reduction as an opportunity to take millions of dollars of one-time charges for ''restructuring.'' By inflating those write-offs, companies get the bad news out of the way at once and can clear their balance sheets of expensive assets that would otherwise reduce the bottom line for years to come. For example, Motorola announced recently that it would cut 15,000 jobs and take a restructuring charge of $1.95 billion.

The commission has also been critical of companies that acquire other companies and then write off much of the purchase price by calling it ''research and development.''

For example, the commission had blocked America Online, the biggest Internet company, from reporting its fiscal fourth-quarter earnings for nearly two months because of disagreements over how much the company should write off in its acquisitions of Mirabilis and Net Channel. America Online finally reached an agreement with the commission and published its results yesterday, greatly scaling back the size of the research write-off.

Mr. Levitt said that other companies were trying to bolster their earnings by manipulating revenue numbers. For instance, many of the companies forced to restate their financial statements this year had reported revenues that later turned out to be fictional or included sales transactions that were not yet completed. In other cases, executives had inflated earnings by manipulating the amounts set aside for future costs like loan losses, sales returns or warranty costs.

To stop the accounting abuses, Mr. Levitt said that the commission would write new accounting guidelines on the ''dos and don'ts of revenue recognition.'' The commission will also begin requiring detailed disclosures about how management estimates the value of various write-offs or reserves and the other assumptions made in preparing financial statements.

Mr. Levitt called on the Financial Accounting Standards Board to pass new accounting rules quickly, including one that would clarify when a company can record a liability. The commission has already pressed the accounting board to change the rule that allows companies to write off large amounts of an acquisition as research and development.

And, he asked both the A.I.C.P.A. and the Public Oversight Board to review whether auditors should change the procedures they use in performing an annual audit.

A blue-ribbon panel—led by John C. Whitehead, a former Deputy Secretary of State and a retired senior partner at Goldman, Sachs & Company, and Ira M. Millstein, a corporate governance expert at the law firm of Weil, Gotshal & Manges—will also develop recommendations for audit committees to follow so that investors are better protected.

''The motivation to meet Wall Street earnings expectations may be overriding common sense business practices,'' Mr. Levitt said. ''Too many corporate managers, auditors and analysts are participants in a game of nods and winks.''

U.S. SENATE,
Washington, DC, March 24, 1998.

Hon. ARCHER LEVITT,
Chairman, Securities and Exchange Commission, Washington, DC.

DEAR CHAIRMAN LEVITT AND MEMBERS OF THE COMMISSION: We are writing to request your views on S. 1260, the Securities Litigation Uniform Standards Act of 1997. As you know, our staff has been working closely with the Commission to resolve a number of technical issues that more properly focus the scope of the legislation as introduced. We attach for your review the amendments to the legislation that we intend to incorporate into the bill at the Banking Committee mark-up.

On a separate but related issue, we are aware of the Commission's long-standing concern with respect to the potential scienter requirements under a national standard for litigation. We understand that this concern arises out of certain district courts' interpretation of the Private Securities Litigation Reform Act of 1995. In that regard, we emphasize that our clear intent in 1995—and our understanding today—was that the PSLRA did not in any way alter the scienter standard in federal securities fraud suits. It was our intent, as we expressly stated during the legislative debate in 1995, particularly during the debate on overriding the President's veto, that the PSLRA adopt the *pleading* standard applied in the Second Circuit. Indeed, the express language of the statute itself carefully provides that plaintiffs must ''state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind'': the law makes no attempt to define that state of mind. We intend to restate these facts about the '95 Act in both the legislative history and the floor debate that will accompany S.1260, should it be favorably reported by the Banking Committee.

Sincerely,

ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing and Urban Affairs.
PHIL GRAMM,
Chairman, Subcommittee on Securities.
CHRISTOPHER J. DODD,
Ranking Member, Subcommittee on Securities.

SECURITIES AND EXCHANGE COMMISSION.
Washington, DC, March 24, 1998.

Hon. ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

Hon. PHIL GRAMM,
Chairman, Subcommittee on Securities, U.S. Senate, Washington, DC.

Hon. CHRISTOPHER J. DODD,
Ranking Member, Subcommittee on Securities, U.S. Senate, Washington, DC.

DEAR CHAIRMAN D'AMATO, CHAIRMAN, GRAMM, AND SENATOR DODD: You have requested our views on S. 1260, the Securities Litigation Uniform Standards Act of 1997, and amendments to the legislation which you intend to offer when the bill is marked-up by the Banking Committee. This letter will present the Commission's position on the bill and proposed amendments.[1]

The purpose of the bill is to help ensure that securities fraud class actions involving certain securities traded on national markets are governed by a single set of uniform standards. While preserving the right of individual investors to bring securities lawsuits wherever they choose, the bill generally provides that class actions can be brought only in federal court where they will be governed by federal law.

As you know, when the Commission testified before the Securities Subcommittee of the Senate Banking Committee in October 1997, we identified several concerns about S. 1260. In particular, we stated that a uniform standard for securities fraud class actions that did not permit investors to recover losses attributable to reckless misconduct would jeopardize the integrity of the securities markets. In light of this profound concern, we were gratified by the language in your letter of today agreeing to restate in S. 1260's legislative history, and in the expected debate on the Senate floor, that the Private Securities Litigation Reform Act of 1995 did not, and was not intended to, alter the well-recognized and critically important scienter standard.

Our October 1997 testimony also pointed out that S. 1260 could be interpreted to preempt certain state corporate governance claims, a consequence that we believed was neither intended nor desirable. In addition, we expressed concern that S. 1260's definition of class action appeared to be unnecessarily broad. We are grateful for your responsiveness to these concerns and believe that the amendments you propose to offer at the Banking Committee mark-up, as attached to your letter, will successfully resolve these issues.

The ongoing dialogue between our staffs has been constructive. The result of this dialogue, we believe, is an improved bill with legislative history that makes clear, by reference to the legislative debate in 1995, that Congress did not alter in any way the recklessness standard when it enacted the Reform Act. This will help to diminish confusion in the courts about the proper interpretation of that Act and add important assurances that the uniform standards provided by S. 1260 will contain this vital investor protection.

We support enactment of S. 1260 with these changes and with this important legislative history.

We appreciate the opportunity to comment on the legislation, and of course remain committed to working with the Committee as S. 1260 moves through the legislative process.

Sincerely,

ARTHUR LEVITT,
Chairman.
ISAAC C. HUNT, JR.,
Commissioner.
LAURA S. UNGER,
Commissioner.

THE WHITE HOUSE,
Washington, April 28, 1998.

Hon. ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

Hon. PHIL GRAMM,
Chairman, Subcommittee on Securities, U.S. Senate, Washington, DC.

Hon. CHRISTOPHER J. DODD,
Ranking Member, Subcommittee on Securities, U.S. Senate, Washington, DC.

DEAR CHAIRMAN D'AMATO, CHAIRMAN GRAMM, AND SENATOR DODD: We understand

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[1] We understand that Commissioner Johnson will write separately to express his differing views. Commissioner Carey is not participating.

that you have had productive discussions with the Securities and Exchange Commission (SEC) about S. 1260, the Securities Litigation Uniform Standards Act of 1997. The Administration applauds the constructive approach that you have taken to resolve the SEC's concerns.

We support the amendments to clarify that the bill will not preempt certain corporate governance claims and to narrow the definition of class action. More importantly, we are pleased to see your commitment, by letter dated March 24, 1998, to Chairman Levitt and members of the Commission, to restate in S. 1260's legislative history, and in the expected debate on the Senate floor, that the Private Securities Litigation Reform Act of 1995 did not, and was not intended to, alter the scienter standard for securities fraud actions.

As you know, uncertainty about the impact of the Reform Act on the scienter standard was one of the President's greatest concerns. The legislative history and floor statements that you have promised the SEC and will accompany S. 1260 should reduce confusion in the courts about the proper interpretation of the Reform Act. Since the uniform standards provided by S. 1260 will provide that class actions generally can be brought only in federal court, where they will be governed by federal law, it is particularly important to the President that you be clear that the federal law to be applied includes recklessness as a basis for pleading and liability in securities fraud class actions.

So long as the amendments designed to address the SEC's concerns are added to the legislation and the appropriate legislative history and floor statements on the subject of legislative intent are included in the legislative record, the Administration would support enactment of S. 1260.

Sincerely,

BRUCE LINDSEY,
Assistant to the President and Deputy Counsel.

GENE SPERLING,
Assistant to the President for Economic Policy.

SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, October 9, 1998.

Hon. ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

Hon. PAUL S. SARBANES,
Ranking Minority Member, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR CHAIRMAN D'AMATO AND SENATOR SARBANES: You have requested our views on S. 1260, the Securities Litigation Uniform Standards Act of 1998. We support this bill based on important assurances in the Statement of Managers that investors will be protected.[1]

The purpose of the bill is to help ensure that securities fraud class actions involving certain securities traded on national markets are governed by a single set of uniform standards. While preserving the right of individual investors to bring securities lawsuits wherever they choose, the bill generally provides that class actions can be brought only in federal court where they will be governed by federal law. In addition, the bill contains important legislative history that will eliminate confusion in the courts about the proper interpretation of the pleading standard found in the Private Securities Litigation Reform Act of 1995 and make clear that the uniform national standards contained in this bill will permit investors to continue to recover losses attributable to reckless misconduct.

We commend the Committee for its careful efforts to strike an appropriate balance between the rights of injured investors to bring class action lawsuits and those of our capital market participants who must defend against such suits.

As you know, we expressed various concerns over earlier drafts of the legislation. In particular, we stated that a uniform standard for securities fraud class actions that did not permit investors to recover losses for reckless misconduct would jeopardize the integrity of the securities markets. We appreciate your receptivity to our concerns and believe that as a result of our mutual efforts and constructive dialogue, this bill and the Statement of Managers address our concerns. The strong statement in the Statement of Managers that neither this bill nor the Reform Act was intended to alter existing liability standards under the Securities Exchange Act of 1934 will provide important assurances for investors that the uniform national standards created by this bill will continue to allow them to recover losses caused by reckless misconduct. The additional statement clarifying that the uniform pleading requirement in the Reform Act is the standard applied by the Second Circuit Court of Appeals will likewise benefit investors by helping to end confusion in the courts about the proper interpretation of that Act. Together, these statements will operate to assure that investors' rights will not be compromised in the pursuit of uniformity.

We are grateful to you and your staffs, as well as the other Members and their staffs, for working with us to improve this legislation and safeguard vital investor protections. We believe this bill and its Statement of Managers fairly address the concerns we have raised with you and will contribute to responsible and balanced reform of securities class action litigation.

Sincerely,

ARTHUR LEVITT,
Chairman.

ISSAC C. HUNT, JR.,
Commissioner.

PAUL R. CAREY,
Commissioner.

LAURA S. UNGER,
Commissioner.

Mr. DINGELL. Mr. Speaker, I yield 4 minutes to the distinguished gentlewoman from Colorado (Ms. DEGETTE).

Ms. DEGETTE. Mr. Speaker, I rise in opposition to this legislation, the Securities Litigation Uniform Standards Act.

I have opposed this bill in committee and on the floor because I think that it takes a Federal meat axe to a problem that States ought to be able to solve with a State solution scalpel. I oppose this bill today not only to protect investors and to give States time to deal with this problem themselves but because along with many other problems, the conference committee stripped out important language that improved this bill.

One of the things that was stripped out, a noncontroversial or sort of noncontroversial bipartisan amendment I passed in committee that would direct the Securities and Exchange Commission to conduct an analysis of the whole issue, including the extent to which the preemption of State securities laws affects the protection of securities investors of the public interest.

This study was important to determine both what the effect is on securities investors and also to determine what the true effect is on these lawsuits going into State courts. I am concerned just like everybody else that many of these lawsuits are being pursued by a very small number of attorneys who are only looking to make money for themselves at the expense of newly emerging high tech firms.

These lawsuits can cost the company millions of dollars while they are being settled and the result is the diversion of resources away from designing of new products and the creation of jobs.

The trend is disturbing but the trend is not overwhelming. The issue needs to be addressed but it needs to be addressed at the State level.

The alleged mass migration of securities fraud class action cases to State court has actually been quite limited and as often happens in a body like Congress, when I asked for statistics about this huge mass of lawsuits going from Federal court to State courts, the evidence was either nonexistent or surprisingly small.

The numbers of suits and the number of plaintiffs in the State courts are actually quite small. Both the proponents and opponents of this bill agreed that the numbers of suits have actually gone down at the State level in the past year. I believe we would be setting a dangerous precedent by blatantly preempting State securities laws, many of which were enacted before the 1933 Federal Securities Act in order to address a very discrete, small problem that exists in basically one State, California.

Those who consider themselves supportive of State rights and those who consider themselves to be Federalists should consider the very dangerous precedent we would set if we pass this legislation.

If the industry is so concerned about the effect of going into State court, I would suggest that they go to the State legislatures in these very few States and ask the legislatures to change the law.

S. 1260 raises significant Federalism concerns and I think that it is quite clear that more time is needed to assess the effects of securities litigation reform before we willy-nilly eliminate all of the State blue sky laws. Eliminating State remedies for fraud before knowing whether the courts will end up consistently interpreting the 1995 act in a way that provides victims with a viable means to recover their losses, this bill risks not only harming innocent investors but also undermines public confidence in our securities markets. This is an issue that needs to be addressed but it needs to be addressed on a State-by-State level.

I urge my colleagues to vote against this legislation.

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[1] Commissioner Norman S. Johnson continues to believe that this legislation is premature, at the least, for the reasons stated in his May 1998 prepared statement before the House Subcommittee on Finance and Hazardous Materials.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The gentleman from Virginia (Mr. BLILEY) has 6 minutes remaining.

Mr. BLILEY. Mr. Speaker, I yield the balance of my time to the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Mr. Speaker, I thank the gentleman from Virginia (Mr. BLILEY) for literally being the shepherd who has brought not only this legislation forward but the primary legislation on securities litigation reform that became law several years ago.

I think it is important to put this issue in historical perspective. I was the author of the first securities litigation reform bill in 1992. Interestingly enough, I was then a Democrat. Also interestingly enough, the lead sponsor on the Senate side was CHRISTOPHER DODD, who was then chairman of the Democratic Senate Campaign Committee. And Christopher DODD and I secured the cosponsorship not only of a majority of Members of both the House and the Senate but a huge bipartisan majority of Members on both sides. Unfortunately, we were never able to work out our differences with my good friend, the gentleman from Michigan (Mr. DINGELL), or my good friend, the ranking minority member of the subcommittee I now chair, the gentleman from Massachusetts (Mr. MARKEY) but nevertheless, we literally have had interesting hearings and interesting discussions as the years passed.

So popular was this issue of putting an end to these strike suits every time the stock market prices changed on some company, so popular both in the House and the Senate on the Democratic and Republican side was this issue, that when it was finally passed in 1995, and the President surprisingly vetoed it, this bill became the only issue that this Congress overrode a presidential veto, two-thirds of the Members of this House, two-thirds of the Senate concurring in an override to make securities litigation reform the law of the land.

Why are we back here today? We are back here today because in spite of the fact that we put an end to these strike lawsuits, these shakedown lawsuits which were settled 94 percent of the time at 10 cents on the dollar, no grandmother ever got a dime out of this, just the unscrupulous trial lawyers who brought these kinds of lawsuits, even though we put an end to these lawsuits in Federal district court, we learned that the unscrupulous members of the trial board who were pressing these cases before simply did an end around. They went to State court and increasingly used the authority of the State court to do exactly what they used to do in Federal court, to shake down companies, to shake down boards of directors, to shake down the accountants, anybody else associated with a company whenever stock market prices changed, alleging fraud and then suddenly, quickly, at 10 cents on the dollar.

In short, this bill puts an end to the end around. It says that the law we passed in 1995, with over two-thirds support of Democrats and Republicans, overriding the presidential veto, that law will have effect in this land, that strike lawsuits should come to an end whether they are brought in Federal court or in State court when they affect nationally traded firms. And secondly, the bill is carefully designed to make sure that other actions, indeed, can still be brought in State courts and that States themselves and our own Securities Exchange Commission can still exercise its authority to prevent abuses of fraud in securities trading in America.

□ 1534

In short, this is carefully tailored now to stop the end runs, to make sure that the law we so successfully passed in 1995, with the enormous help of the gentlewoman from California (Ms. ESHOO), the great sponsorship of the gentleman from California (Mr. COX), they did such a good job in 1995 to make sure that that law now has real effect out there; that people who trade and who invest their pension funds are not going to lose those assets to strike lawsuits that shake down the value of those companies and shake down the people who are trying to run them successfully for this economy.

This bill will send the strongest message to those unscrupulous lawyers, start behaving yourself, stop shaking people down, stop bringing these frivolous lawsuits because they will not be permitted in Federal court, and they will not be permitted now in State court.

Mr. Speaker, this bill deserves the same kind of support that the original bill got in 1995. It deserves, as the gentlewoman from California (Ms. ESHOO) said the bipartisan vocal support of Members on both sides of this aisle so that we present it quickly to the President who has said in California that, if we would do this, he would sign it into law.

Let us send it to the President and let him have the chance to sign this bill into law and to put an end to the end around that unfortunately has tainted the great effort we made in 1995.

To all who made this bill possible today, I personally want to thank you. As I said, when I authored this bill in 1992, I did not think it was going to take this long for us to complete the journey.

But here we are today, this perhaps making the most important step in that journey to end these frivolous lawsuits and to give the securities trading of these high-tech firms which are bringing so much job and opportunity to America to give them all the sense of security and to protect them against these strike lawsuits.

Mr. KLINK. Mr. Speaker, I think this bill is a solution in search of a problem.

In 1995, the Commerce Committee developed and Congress approved, over a Presidential veto, the Private Securities Litigation Reform Act, which put strict limits on Federal investor class action lawsuits. I opposed that legislation because I was concerned about preventing defrauded investors from being made whole again. But my side lost, and we all moved on.

One of the arguments when we debated the 1995 act was that truly victimized investors could still seek redress in State court. So there was some comfort in that; retirees who lost their life savings to securities fraud could still pursue legal action.

Now, however, I fear that Congress is moving to cut off the State avenue for class action securities suits. That could mean that investors would have no ability to seek relief from securities wrongdoers, and that is unacceptable to me.

There appears to be no explosion of State securities class actions, so I see no real need for this bill. Last year there were only 44 throughout the entire country, the lowest number in five years.

Furthermore, Mr. Speaker, at a time when there are more investors than at any time in history, many of them unsophisticated investors, we should not be making it easier to get away with securities fraud. We owe that to our investor constituents and we owe that to the capital markets in this country, which remain the strongest in the world.

Additionally, Mr. Chairman, though the conference report contains a provision similar to the Sarbanes amendment in the Senate bill, which provides for an exemption from the bill for State and local entities, the provision before us goes beyond Sarbanes to require those entities to be named plaintiffs in and authorize participation in State securities class actions. This assumes a level of sophistication that may be lacking.

I will provide an example. Last year, the SEC alleged that Devon Capital management had defrauded 100 municipal clients in Pennsylvania and elsewhere. Those clients included 75 school districts, mostly in western and central Pennsylvania. Devon and the SEC reached a settlement, and those school districts are expected to recover a little over half of the $71 million that Devon lost.

Now, how can we say that these same school districts and local governments that were unsophisticated enough to have invested with Devon in the first place and lost all this money, are, at the same time, sophisticated enough to recognize the steps they need to take to preserve their rights to bring a State securities class action under this bill?

I would have preferred that, at the very least, the Sarbanes amendment exempting State and local governments and pension plans were maintained as it passed the Senate.

Finally, Mr. Speaker, I am disturbed by the trend I am seeing in this committee and Congress as a whole in our attitude toward investors, especially the mom and pop investors we all represent. As I said, I opposed the 1995 Securities Litigation Reform Act.

That was followed closely by the Fields securities reform bill, which threatened to severely limit the ability of State securities regulators, the local cops on the beat in the securities world, to protect investors. In committee and in conference, we were able to temper this legislation so that investors would not be left vulnerable.

Now however, comes this legislation. I really worry that we are going down the road to where the small investor is the last thing we think about, when they should be among the first.

We are at a point in time when Members of Congress and others are talking about privatizing Social Security. That will lead to even more unsophisticated investors and hundreds of billions of dollars going into the marketplace. And yet we continue to talk about reducing investor protections.

Another question I have is, are we now saying to the States that we in Washington, DC, know better than the States what cases should go through State courts and which should not. Are we next going to tell the States that they can't hear real estate cases? Are we going to tell them they can't hear tobacco cases? What comes next?

I never thought I would see the day when my Republican colleagues would want to dictate from on high in Washington, DC, what State law should be.

The conference report on S. 1260 is a solution in search of a problem, and I strongly oppose it.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and agree to the conference report on the Senate bill, S. 1260.

The question was taken.

Mr. KANJORSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Pursuant to clause 5, rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order, each of them de novo:

S. 1693,

H.Res. 494,

S. 1364,

H.R. 4756,

H.R. 4805,

H.Res. 562,

H.Res. 518,

Concurring in Senate amendment to H.R. 1274,

S. 1754,

And the conference report on S. 1260.

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

NATIONAL PARKS OMNIBUS MANAGEMENT ACT OF 1998

The SPEAKER pro tempore. The pending business is the question de novo of spending the rules and passing the Senate bill, S. 1693, as amended.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the Senate bill, S. 1693, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

SENSE OF THE HOUSE REGARDING GUAM

The SPEAKER pro tempore. The pending business is the question de novo of suspending the rules and agreeing to the resolution, H. Res. 494.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and agree to the resolution, H.Res. 494.

The question was taken.

Mr. COMBEST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 410, nays 0, not voting 24, as follows:

[Roll No. 524]

YEAS—410

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lantos
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Spence
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)

Weller
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NOT VOTING—24

Ackerman
Berman
Boucher
Cooksey
Deutsch
Graham
Hall (OH)
Harman
Hefner
Inglis
Kennelly
Kilpatrick
Lampson
Largent
McCollum
McCrery
McDade
Poshard
Pryce (OH)
Scarborough
Souder
Spratt
Visclosky
Wexler

□ 1611

Mrs. MCCARTHY of New York changed her vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

FEDERAL REPORTS ELIMINATION ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 1364, as amended.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and pass the Senate bill, S. 1364, as amended.

The question was taken.

RECORDED VOTE

Mr. GIBBONS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 390, noes 19, not voting 25, as follows:

[Roll No. 525]

AYES—390

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clayton
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Istook
Jackson (IL)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lantos
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Menendez
Metcalf
Mica
Miller (CA)
Miller (FL)
Minge
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Spence
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Traficant
Turner
Upton
Velazquez
Vento
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Yates
Young (AK)
Young (FL)

NOES—19

Clay
Clyburn
Conyers
Dixon
Furse
Hastings (FL)
Hilliard
Jackson-Lee (TX)
Johnson, E. B.
Lee
McKinney
Meeks (NY)
Millender-McDonald
Mink
Payne
Thompson
Towns
Waters
Wynn

NOT VOTING—25

Ackerman
Berman
Boucher
Burton
Cooksey
Deutsch
Graham
Hall (OH)
Harman
Hefner
Inglis
Kennelly
Kilpatrick
Lampson
Largent
McCollum
McCrery
McDade
Poshard
Pryce (OH)
Scarborough
Souder
Spratt
Visclosky
Wexler

□ 1623

Ms. LEE, Mr. PAYNE, Ms. FURSE and Mr. WYNN changed their vote from ''aye'' to ''no.''

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The result of the vote was announced as recorded.

A motion to reconsider was laid on the table.

YEAR 2000 PREPAREDNESS ACT OF 1998

The SPEAKER pro tempore (Mr. BOEHLERT). The pending business is the question of suspending the rules and passing the bill, H.R. 4756, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and pass the bill, H.R. 4756, as amended.

The question was taken.

RECORDED VOTE

Mr. FOSSELLA. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 407, noes 3, not voting 24, as follows:

[Roll No. 526]

AYES—407

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski

Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
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Schaffer, Bob
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Young (AK)
Young (FL)

NOES—3

Cannon
Chenoweth
Paul

NOT VOTING—24

Ackerman
Berman
Boucher
Cooksey
Deutsch
Graham
Hall (OH)
Harman
Hefner
Inglis
Kennelly
Kilpatrick
Lampson
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McCrery
McDade
Poshard
Pryce (OH)
Scarborough
Souder
Spratt
Visclosky
Wexler

□ 1636

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3267. An act to direct the Secretary of the Interior, acting through the Bureau of Reclamation, to conduct a feasibility study and construct a project to reclaim the Salton Sea.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BOEHLERT). Pursuant to clause 5 of rule I, proceedings on the remainder of the questions currently in postponement will be resumed after debate on further motions to suspend the rules.

WOMEN'S HEALTH RESEARCH AND PREVENTION AMENDMENTS OF 1998

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1722) to amend the Public Health Service Act to revise and extend certain program with respect to women's health research and prevention activities at the National Institutes of Health and the Centers for Disease Control and Prevention.

The Clerk read as follows:

S. 1722

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Women's Health Research and Prevention Amendments of 1998''.

TITLE I—PROVISIONS RELATING TO WOMEN'S HEALTH RESEARCH AT NATIONAL INSTITUTES OF HEALTH

SEC. 101. RESEARCH ON DRUG DES; NATIONAL PROGRAM OF EDUCATION.

(a) RESEARCH.—Section 403A(e) of the Public Health Service Act (42 U.S.C. 283a(e)) is amended by striking ''1996'' and inserting ''2003''.

(b) NATIONAL PROGRAM FOR EDUCATION OF HEALTH PROFESSIONALS AND PUBLIC.—Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end the following:

''EDUCATION REGARDING DES

''SEC. 1710. (a) IN GENERAL.—The Secretary, acting through the heads of the appropriate agencies of the Public Health Service, shall carry out a national program for the education of health professionals and the public with respect to the drug diethylstilbestrol (commonly known as DES). To the extent appropriate, such national program shall use methodologies developed through the education demonstration program carried out under section 403A. In developing and carrying out the national program, the Secretary shall consult closely with representatives of nonprofit private entities that represent individuals who have been exposed to DES and that have expertise in community-based information campaigns for the public and for health care providers. The implementation of the national program shall begin during fiscal year 1999.

''(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2003. The authorization of appropriations established in the preceding sentence is in addition to any other authorization of appropriation that is available for such purpose.''.

SEC. 102. RESEARCH ON OSTEOPOROSIS, PAGET'S DISEASE, AND RELATED BONE DISORDERS.

Section 409A(d) of the Public Health Service Act (42 U.S.C. 284e(d)) is amended by striking ''and 1996'' and inserting ''through 2003''.

SEC. 103. RESEARCH ON CANCER.

(a) RESEARCH ON BREAST CANCER.—Section 417B(b)(1) of the Public Health Service Act (42 U.S.C. 286a–8(b)(1)) is amended—

(1) in subparagraph (A), by striking ''and 1996'' and inserting ''through 2003''; and

(2) in subparagraph (B), by striking ''and 1996'' and inserting ''through 2003''.

(b) RESEARCH ON OVARIAN AND RELATED CANCER RESEARCH.—Section 417B(b)(2) of the Public Health Service Act (42 U.S.C. 286a–8(b)(2)) is amended by striking ''and 1996'' and inserting ''through 2003''.

SEC. 104. RESEARCH ON HEART ATTACK, STROKE, AND OTHER CARDIOVASCULAR DISEASES IN WOMEN.

Subpart 2 of part C of title IV of the Public Health Service Act (42 U.S.C. 285b et seq.) is amended by inserting after section 424 the following:

''HEART ATTACK, STROKE, AND OTHER CARDIOVASCULAR DISEASES IN WOMEN

''SEC. 424A. (a) IN GENERAL.—The Director of the Institute shall expand, intensify, and coordinate research and related activities of

the Institute with respect to heart attack, stroke, and other cardiovascular diseases in women.

''(b) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate activities under subsection (a) with similar activities conducted by the other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to heart attack, stroke, and other cardiovascular diseases in women.

''(c) CERTAIN PROGRAMS.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the causes of, and to develop methods for preventing, cardiovascular diseases in women. Activities under such subsection shall include conducting and supporting the following:

''(1) Research to determine the reasons underlying the prevalence of heart attack, stroke, and other cardiovascular diseases in women, including African-American women and other women who are members of racial or ethnic minority groups.

''(2) Basic research concerning the etiology and causes of cardiovascular diseases in women.

''(3) Epidemiological studies to address the frequency and natural history of such diseases and the differences among men and women, and among racial and ethnic groups, with respect to such diseases.

''(4) The development of safe, efficient, and cost-effective diagnostic approaches to evaluating women with suspected ischemic heart disease.

''(5) Clinical research for the development and evaluation of new treatments for women, including rehabilitation.

''(6) Studies to gain a better understanding of methods of preventing cardiovascular diseases in women, including applications of effective methods for the control of blood pressure, lipids, and obesity.

''(7) Information and education programs for patients and health care providers on risk factors associated with heart attack, stroke, and other cardiovascular diseases in women, and on the importance of the prevention or control of such risk factors and timely referral with appropriate diagnosis and treatment. Such programs shall include information and education on health-related behaviors that can improve such important risk factors as smoking, obesity, high blood cholesterol, and lack of exercise.

''(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2003. The authorization of appropriations established in the preceding sentence is in addition to any other authorization of appropriation that is available for such purpose.''.

SEC. 105. AGING PROCESSES REGARDING WOMEN.

Section 445H of the Public Health Service Act (42 U.S.C. 285e–10) is amended—

(1) by striking ''The Director'' and inserting ''(a) The Director''; and

(2) by adding at the end the following subsection:

''(b) For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2003. The authorization of appropriations established in the preceding sentence is in addition to any other authorization of appropriation that is available for such purpose.''.

SEC. 106. OFFICE OF RESEARCH ON WOMEN'S HEALTH.

Section 486(d)(2) of the Public Health Service Act (42 U.S.C. 287d(d)(2)) is amended by striking ''Director of the Office'' and inserting ''Director of NIH''.

TITLE II—PROVISIONS RELATING TO WOMEN'S HEALTH AT CENTERS FOR DISEASE CONTROL AND PREVENTION

SEC. 201. NATIONAL CENTER FOR HEALTH STATISTICS.

Section 306(n) of the Public Health Service Act (42 U.S.C. 242k(n)) is amended—

(1) in paragraph (1), by striking ''through 1998'' and inserting ''through 2003''; and

(2) in paragraph (2), by striking ''through 1998'' and inserting ''through 2003''.

SEC. 202. NATIONAL PROGRAM OF CANCER REGISTRIES.

Section 399L(a) of the Public Health Service Act (42 U.S.C. 280e–4(a)) is amended by striking ''through 1998'' and inserting ''through 2003''.

SEC. 203. NATIONAL BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAM.

(a) SERVICES.—Section 1501(a)(2) of the Public Health Service Act (42 U.S.C. 300k(a)(2)) is amended by inserting before the semicolon the following: ''and support services such as case management''.

(b) PROVIDERS OF SERVICES.—Section 1501(b) of the Public Health Service Act (42 U.S.C. 300k(b)) is amended—

(1) in paragraph (1), by striking ''through grants'' and all that follows and inserting the following: ''through grants to public and nonprofit private entities and through contracts with public and private entities.''; and

(2) by striking paragraph (2) and inserting the following:

''(2) CERTAIN APPLICATIONS.—If a nonprofit private entity and a private entity that is not a nonprofit entity both submit applications to a State to receive an award of a grant or contract pursuant to paragraph (1), the State may give priority to the application submitted by the nonprofit private entity in any case in which the State determines that the quality of such application is equivalent to the quality of the application submitted by the other private entity.''.

(c) AUTHORIZATIONS OF APPROPRIATIONS.—

(1) SUPPLEMENTAL GRANTS FOR ADDITIONAL PREVENTIVE HEALTH SERVICES.—Section 1509(d)(1) of the Public Health Service Act (42 U.S.C. 300n–4a(d)(1)) is amended by striking ''through 1998'' and inserting ''through 2003''.

(2) GENERAL PROGRAM.—Section 1510(a) of the Public Health Service Act (42 U.S.C. 300n–5(a)) is amended by striking ''through 1998'' and inserting ''through 2003''.

SEC. 204. CENTERS FOR RESEARCH AND DEMONSTRATION OF HEALTH PROMOTION.

Section 1706(e) of the Public Health Service Act (42 U.S.C. 300u–5(e)) is amended by striking ''through 1998'' and inserting ''through 2003''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 1722.

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

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of S. 1722, the Women's Health Research and Prevention Amendments of 1998. This legislation will revise and extend a number of important women's health research and prevention programs at the National Institutes of Health and the Centers for Disease Control and Prevention.

Earlier this month, Mr. Speaker, I introduced the House companion measure, H.R. 4683, with the gentleman from Virginia (Chairman BLILEY), the chairman of the Committee on Commerce. Both S. 1722 and the House bill enjoy strong bipartisan support, including members of the leadership and the chairman and ranking members of the committees of jurisdiction. The American Cancer Society and the American Heart Association have also endorsed this legislation.

In a recent letter, the Secretary of Health and Human Resources expressed the administration's support for passage of the bill. Secretary Shalala stated, ''The research, prevention and health promotion activities that would be reauthorized are critical to the health and well-being of the Nation's women.''

While noting that the bill does not include some of the administration's legislative proposals on women's health, the Secretary concluded that ''extension of the vital efforts that are addressed in the bill should not be delayed.''

Mr. Speaker, both the NIH and the CDC play critical roles in efforts to improve women's health through research, screening, prevention, treatment, education and data collection. S. 1722 reauthorizes programs at the NIH for vital research into the causes, prevention and treatment of some of the major diseases affecting women, including osteoporosis, breast and ovarian cancer and for research into the aging processes of women.

In addition, the bill authorizes a new research program at the National Heart, Lung and Blood Institute to target heart attacks, strokes and other cardiovascular diseases in women, and this program will advance research into cardiovascular disease, which is the leading cause of death in women. In fact, one in ten American women between the ages of 45 and 64 has some form of heart disease, and this increases to one in five women over 65. According to the American Heart Association, more than 500,000 American women die of cardiovascular diseases each year.

NIH data indicates that 1.6 million women have had a stroke and 90,000 women die of strokes each year. In the past, the medical community has focused on men in research, treatment and counseling for heart disease and stroke. Clearly we need to do more to prevent and treat these diseases in women.

S. 1722 also reauthorizes several major programs at the CDC for prevention and education activities in women's health issues. These include the

National Center for Health Statistics, the National Program of Cancer Registries, the National Breast and Cervical Cancer Early Detection Program, and the Centers for Research and Demonstration of Health Promotion and Disease Prevention.

It is particularly important that we reauthorize these programs this year, Mr. Speaker. While funding is currently available, the CDC relies on its statutory authorization for certain critical activities. For example, the National Center on Health Statistics relies on its legal authority to ensure complete privacy of the data collected. Without this authority, the center's ability to collect the data is threatened.

The Congressional Budget Office has issued a preliminary estimate of the bill's cost, which totals $5.1 billion over five years. However, and it is important to realize this, all of the spending authorized in this bill is discretionary, subject to appropriation. The bill reauthorizes programs that are already funded, already funded, with the exception of the new cardiovascular disease program. However, NIH is currently conducting research in this area and the new cardiovascular research program will expand and coordinate those efforts.

Mr. Speaker, we have worked very, very hard to develop legislation that enjoys strong bipartisan support. The bill does not purport to address every woman's health concern, and there is clearly more work ahead for our committee.

□ 1645

To avoid unnecessary controversy and to speed reauthorization of these important programs, however, it was necessary to maintain a consensus-based approach in developing the bill.

The legislation also represents the work product of several Members. Mr. Speaker, I want to take a moment to acknowledge their contributions. Section 101, which establishes a national education and research program regarding the drug DES, is modeled on legislation introduced by the gentlewoman from New York (Ms. SLAUGHTER).

Section 104, which promotes research related to cardiovascular diseases in women, is similar to provisions of H.R. 2130 introduced by the gentlewoman from California (Ms. WATERS).

I also want to recognize the efforts of the gentleman from New York (Mr. LAZIO) to promote access to treatment for patients screened under the CDC's National Breast and Cervical Cancer Early Detection Program.

At the urging of the gentleman from New York (Mr. LAZIO) and the American Cancer Society, provisions were added to section 203 of the bill to emphasize the importance of case management services. This language recognizes the critical role of case managers in assisting breast cancer patients in obtaining access to treatment.

Mr. Speaker, I believe the Congress must play an active role in promoting women's health research and prevention efforts. I am particularly proud of the Committee on Commerce's role this year in reauthorizing the Mammography Quality Standards Act, which ensures safe and accurate mammography services for women.

The measure before us today reauthorizes a number of other critical women's health programs, and I urge all Members to join me in supporting passage of this important legislation.

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

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support S. 1722, the Women's Health Research and Prevention Amendments of 1998. For far too long, women's health issues have been neglected. The bill is a necessary step to begin addressing critical health issues that are affecting women exclusively or at highly disproportionate rates. Eighty percent of Americans who suffer from osteoporosis are women. One in eight women develop breast cancer, one in 25 will die of breast cancer, the second leading cause of cancer deaths. Despite the misconception that women rarely suffer from heart attacks, cardiovascular disease is the leading cause of death among American women. These are only a few of the devastating statistics concerning women's health issues that signal the need for more research, treatment, and education to prevent women's needless suffering.

H.R. 4683 and S. 1722 would extend research and prevention efforts of the National Institutes of Health to explore some of the most dangerous and critical diseases and conditions affecting women, including osteoporosis, cancer, and cardiovascular disease, the leading causes of death in American women.

The bill also extends women's health programs at the Centers for Disease Control, such as the National Center for Health Statistics, the National Program of Cancer Registries, and the National Breast and Cervical Cancer Early Detection Program.

Expanding these programs will allow the CDC to conduct more research to prevent and treat women's health issues, insure screening for early detection of breast and cervical cancer, and curb premature morbidity and mortality that lead to excessive health care costs.

The job will not be finished with the enactment of this bill alone. Issues of quality and access need to be addressed. The Patients' Bill of Rights should be enacted without further delay.

The National Partnership for Women and Families and more than 30 other women's organizations have listed numerous elements of the Patients' Bill of Rights that are particularly important to the health of women.

This bill would allow women to choose an OB–GYN as a primary health provider, and have direct access to their services or to those of allied health professionals, such as nurse midwives. The Patients' Bill of Rights would require managed care companies to provide access to clinical trials, a direct link between the research authorized by the bill before us today and the actual receipt of health care by women.

Listen to what a couple of witnesses at our July hearing on the Subcommittee on Health and Environment said about the importance of clinical trials. Dr. Edison Liu of the National Cancer Institute said, ''Clinical trials are instrumental in these improvements. As examples, within the last two years we have established new standards of optimal therapy for women with node-negative and locally advanced breast cancer, for women with advanced ovarian cancer, for melanoma, and for childhood renal cancer. These new approaches to cancer therapy are the direct result of the Nation's clinical trials system.''

Dr. Leonard Zwelling with the Anderson Cancer Center said at the same hearing, ''Remember, all of the great approved cancer therapies in use today were once being tested in the clinical trial setting. Without clinical trials, we would have made no progress at all.''

The Patients' Bill of Rights would allow women to continue to see the same provider throughout a pregnancy, even if the provider left the plan or their employer changed plans. Prescription drugs that are medically indicated but are not on an HMO's formulary would also be covered. Drive-by mastectomies would be eliminated, performance and quality measures would take the special needs of women into account, as would data collections and plan summaries. Plans would be prohibited from discriminating on the basis of sex. All of that is in the Patients' Bill of Rights.

I would hope, Mr. Speaker, that we will authorize all NIH programs so the research priorities of our Nation will be openly and equitably addressed. Although S. 1722 deals with some of the health research issues that impact women, it by no means addresses all of them. A comprehensive reauthorization of NIH programs, coupled with passage of the Patients' Bill of Rights, would achieve this objective.

Women are disproportionately affected by disease and conditions that our medical community has the ability to halt. It is essential that we do a better job in addressing women's health care issues. I commend the gentleman from Florida (Chairman Bilirakis) for leading us to act on solid bipartisan legislation. I commend the gentleman from Michigan (Mr. JOHN DINGELL), ranking member of the full committee, for his work on this issue, on women's health generally, and specifically, for his leadership on the Patients' Bill of

Rights, legislation that this Congress should be addressing before it adjourns.

I look forward to working with the gentleman from Florida (Mr. BILIRAKIS), the gentleman from Michigan (Mr. DINGELL), and others on other pressing health care issues that are beyond the scope of this bill.

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

Mr. BILIRAKIS. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. FOX).

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I appreciate the time to speak on behalf of the Women's Health Research and Prevention Amendments of 1998. This is legislation long overdue, and certainly the number one priority in the public health interest. This legislation will help overall the women's health research and prevention activities at the National Institutes of Health and, of course, the Centers for Disease Control and Prevention of the CDC.

Specifically, it will extend the research program on DES, the drug widely prescribed years ago from 1938 to 1971, which has been shown to be harmful to pregnant women and their children.

Moreover, the bill deals with research on osteoporosis, extends the research program in that regard, and on Paget's Disease and related bone disorders.

It also further will conduct research on cancer, breast cancer and ovarian cancer especially. This is an area of great interest of mine. Many people in Pennsylvania and across the country are trying to support the additional efforts for breast cancer outreach, detection, prevention, treatment. I just have to look to Suzanne Kay from my district, who fought a long battle with breast cancer and it was her life's hope, and I hope that we continue her dream, to have that cure in our lifetime.

On ovarian cancer, we only have to look to Laurie Beecham from my district, who has had a 9-year battle with ovarian cancer. This is especially troublesome since ovarian cancer is so hard to detect and has alluded us up until now. So with these additional women's health research and prevention amendments, we will be able to win the war against breast cancer, win the war against ovarian cancer.

This legislation goes further, Mr. Speaker, into research on heart attacks, stroke and other cardiovascular diseases. The new authorization is included to support research into something which has been the leading cause of death in women, cardiovascular disease; long overlooked. As prior speakers may have related, we have been looking, from a male point of view, at heart disease but now this is an area of interest we must pursue in order to be receiving the kind of information that we can attack this cardiovascular disease and be successful for women as well.

The aging processes in women, this legislation will also study the effects and come up with cures regarding the diagnosis, disorders and complications relating to menopause.

The legislation also goes into the National Center for Health Statistics by producing data regarding systems to identify and address a wide spectrum, Mr. Speaker, of health concerns from birth to death, including overall health status, life-style, exposure to unhealthful influences, the onset and diagnosis of illness and disability, and the use of health care and rehabilitation services.

The National Program of Cancer Registries will be aided by this bill because it will generate reliable cancer surveillance and data collection to monitor trends, guide cancer control programs, to assist in allocations of health resources, to advance population based health services research.

Mr. Speaker, I just want to conclude by saying that we have just seen a March Against Cancer here in Washington. We have our anti-cancer caucus led by the gentleman from New York (Mr. LAZIO), we have our women's caucus, all working together.

With the passage of this legislation, S. 1722, we will be able to move forward for women, for health care, for America. So I am pleased to lend my support to this important legislation.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. DINGELL). He has done great work on all of these health care issues.

Mr. DINGELL. Mr. Speaker, I thank the gentleman from Ohio (Mr. BROWN) for yielding time to me.

Mr. Speaker, I rise in support of S. 1722, and H.R. 4683, its identical version in the House, which is not at this moment before us.

I am pleased to be the cosponsor of this legislation recently introduced by my good friend and colleague, the gentleman from Florida (Mr. BILIRAKIS).

I do note, however, Mr. Speaker, that this is a very good bill, worthy of support, but unfortunately in the haste of the conclusion of this session it has not had the benefits of hearings or markup sessions in the Subcommittee on Health and Environment or in the Committee on Commerce. That normal and usual practice undoubtedly would have improved the bill.

My colleagues on the committee from both sides of the aisle possess great expertise in matters of this kind and they would have given generously of their time and knowledge and thereby added greatly to the quality of the legislation.

The legislation before us enjoys the support of many organizations with strong credentials in the area of women's health issues. The administration also supports the bills, but each of these supporters would have welcome opportunities to come before the committee to convey comments and concerns.

The hearings would have revealed that this bill is a bit limited in scope, with many serious and controversial issues left unaddressed. In the area of research, the bill does not address controversial issues that affect women's health, such as sexually transmitted diseases. Other than a few programs named, the bill does not address the broad band of diseases that affect both genders and therefore, significantly, women's health issues, as well as men's health issues. This is why reauthorization of all NIH programs is urgently needed.

I hope that this bill begins that process and that we deal with NIH in a more comprehensive and thorough going fashion in the next session.

Moreover, the bill does nothing to improve women's access to quality health care. Women are the majority of enrollees in managed care plans. Women have unique health care needs that go well beyond reproductive health, and indeed their needs are quite different than those of men.

The National Partnership for Women and Families, along with more than 30 other organizations, has outlined a long list of women's health issues that are addressed by the Patients' Bill of Rights, which regrettably will not be passed by this Congress and which urgently needs to be done.

Those include selection of an OB-GYN or allied health professional as a primary care provider; access to clinical trials; gender specific data; plan evaluation criteria, and a ban on gender discrimination by HMOs. The legislation before us is regrettably silent on these issues.

Mr. Speaker, I support this bill. It is a good bill. It has, regrettably, limitations, and we are now finding ourselves in a curious procedural setting into which we need not have been cast had this matter been brought up earlier and on which we had done perhaps a better job of evoking hearings and all of the normal processes that are undertaken in the Committee on Commerce.

It is important to know here today that as we pass a good bill, many important women health care issues remain to be addressed. None of this should be satisfied until this work is done.

Mr. BILIRAKIS. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Speaker, every day when I am not here I practice medicine, and 70 percent of my patients are women.

There are wonderful things in this bill. However, this bill comes up short, especially in addressing cervical cancer in our country.

□ 1700

Mr. Speaker, 43 percent of the young women in this country today are carrying human papilloma virus. That is important. The reason that it is important is because that causes 94 percent of the cancer of the cervix to women in this country.

We also have in the bill a complete section on diethylstilbestrol, which has not been used in almost 30 years in this country. The last time it was used in any frequency was in the mid-1960s. The consequence of cancer associated with that drug shows itself before the woman is 30 years of age. So, in fact what we are doing is authorizing a program that is no longer needed with this bill.

My concerns, regardless of all the positive things in this bill, are that we should make sure we reach beyond where we have been in the past. And there is no question, breast cancer affects a vast majority. My sister, my sister-in-law both had breast cancer as well as many patients that I diagnose that disease in, and this bill is great in that regard. This bill is great in cardiovascular health risks for women. But it comes up very short in addressing a problem that is going to burgeon and balloon on us.

Cervical cancer is going to grow at the rate of 10 or 15 percent per year each year in the future. We have not instructed the CDC to do the proper job with this bill. The CDC should have a program that mandates human papilloma virus, the agent that causes cervical cancer, as a reportable disease. They have refused to do that.

Mr. Speaker, 40 percent of the women in this country now have herpes. It is also associated with anomalies and carcinomas of the reproductive tract of women. We have done nothing to address that in this bill.

Mr. Speaker, I am going to support this bill, and I want us to move forward with this. But I would like to have a colloquy with the gentleman from Florida (Mr. BILIRAKIS), chairman of the committee, to in fact see if we cannot address these issues and send out a supplemental authorization in the next Congress so that we can impact cervical cancer the way we are attempting to impact breast cancer in this bill.

It is my hope that we will have a hearing so that what I have just stated can be put in the RECORD by not me as a practicing physician, but the scientists who know these issues well, and that that will become a part of what we do in the future.

Mr. BILIRAKIS. Mr. Speaker, will the gentleman yield?

Mr. COBURN. I yield to the gentleman from Florida.

Mr. BILIRAKIS. Mr. Speaker, I would say that not only talking about the scientific community, but certainly the gentleman's knowledge on these areas certainly greatly exceeds that of ours, and I have no reason to dispute what the gentleman says.

I have already indicated that what we try to do with this legislation was try to work it out with the other body, with the other side, so that we could have a piece of legislation which would be a good piece of legislation, but certainly far from perfect.

So having said all of that, I assure the gentleman that we will address those issues in the next Congress.

Mr. COBURN. Mr. Speaker, reclaiming my time, I thank the gentleman for that assurance.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2½ minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I thank the gentleman from Ohio (Mr. BROWN) for yielding me this time.

Mr. Speaker, I am pleased today to support S. 1722, the Women's Health Research and Prevention Amendments. I am an original cosponsor of the House version, H.R. 4683, and I congratulate the gentleman from Florida (Chairman BILIRAKIS) and the gentleman from Ohio (Mr. BROWN), the ranking member, for their efforts.

This is a good piece of legislation which authorizes or reauthorizes a number of important acts. I am especially pleased that the National Cancer Registries Act, which I introduced in 1992, is included for reauthorization in this legislation.

Mr. Speaker, we all understand that cancer is a terrible disease striking millions of Americans of all ages and from all walks of life. The National Cancer Registries Act, which is being reauthorized now, provides detailed information about who is coming down with cancer, where they live, where they work, and how effective the treatment is that they are receiving.

For years, cancer researchers wanted information, for example, about the incidence of breast cancer in Vermont as opposed to the incidence of breast cancer in another region. What might be the factors which cause the difference in incidence rates? In other words, why is a particular type of cancer more prevalent in one area of the country than in another area?

Why within a given community is cancer more prevalent in one part of that community than in another part of that community? In other words, why are there certain hot spots that have developed?

All of that information is important because the more information that researchers have, the better able they will be to understand what might be causing different types of cancer, and also in developing prevention efforts to stop the spread of cancer as well as better treatments to treat cancer.

Clearly, the more detailed information that we have about cancer, the better able we will be to understand the cause of this terrible disease which is killing more than a half million Americans every year and will account for one out of every four deaths in the United States this year.

Mr. Speaker, I want to mention that several years ago when Senator LEAHY and I successfully introduced this legislation, we were given the means to do so by a number of breast cancer survivors in the State of Vermont, women who stood up and said, ''We are going to fight back.'' Among those were Joann Rathgeb, who passed away several years ago, and Pat Barr and Virginia Soffa, who are continuing their battle against cancer today.

Mr. BILIRAKIS. Mr. Speaker, how much time do we have remaining?

The SPEAKER pro tempore (Mr. BOEHLERT). The gentleman from Florida (Mr. BILIRAKIS) has 7 minutes remaining, and the gentleman from Ohio (Mr. BROWN) has 9½ minutes remaining.

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

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from Ohio (Mr. BROWN) for yielding me this time, and I rise in strong support of this legislation.

I am particularly proud to vote for it today. I an thankful for the good work of the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) for bringing this to us this afternoon.

This bill contains a vital section extending Federal research and education on the drug diethylstilbestrol, or DES. It was prescribed to pregnant American women from 1938 to 1971 in the mistaken belief that it would prevent miscarriage. Not only did DES fail to impact miscarriage rates, but it caused deformities and other health problems in the reproductive systems of many of the children exposed in utero.

Touted as a ''wonder drug,'' DES was taken by women who believed they were getting the best medical care in the world. But DES is now known to cause a fivefold increased risk for ectopic pregnancy as well as a threefold increase for a risk of miscarriage and preterm labor. One in every 1,000 girls and women exposed to DES in utero will develop clear cell of the vagina or cervix and will have to undergo treatment that ends their fertility. Men exposed in utero have a higher incidence of undescended testicles and fertility problems. Recent studies have hinted, and this is one of the reasons that research is so important, that DES may cause similar reproductive tract problems in a third generation of grandsons and granddaughters.

In 1992, I was proud to sponsor the legislation that established the first Federal research and education programs on DES. And last year, we introduced H.R. 1788, the DES Education Research Amendments, to authorize and expand the education efforts nationally.

Congress has a rare opportunity to act today to ensure that all men and women exposed to DES are made aware of their special health risks and needs. Further, we must continue research into the effects of DES, research which is yielding such important insights into the effects of environmental estrogens on the human body.

Mr. Speaker, I am proud to support S. 1722, and urge my colleagues to do so as well.

Mr. BILIRAKIS. Mr. Speaker, I yield 4 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I thank the gentleman from Florida (Mr. BILIRAKIS) for yielding me this time.

Mr. Speaker, I rise in very strong support of what I call the B&B bill, ''Bilirakis and Brown.'' I want to congratulate the gentleman from Florida (Chairman BILIRAKIS) and the gentleman from Ohio (Mr. BROWN), the ranking member, for bringing this bill before us.

Why am I interested? Not only because as a woman, but I represent the National Institutes of Health and work very closely with the Centers for Disease Control, and I remember when we worked very hard and inspired the National Institutes of Health to establish their Office of Research on Women's Health, which has worked very effectively. Now codified is the fact that women will be included in all clinical trials and protocols, unless there is adequate reason why they would not be.

So, this bill really follows along beautifully, reauthorizing many of the programs at NIH that really pretty much come under the jurisdiction of the Office of Research on Women's Health and the Centers for Disease Control in terms of research and prevention.

Just looking at it, for instance the DES bill, I am on a bill with the gentlewoman from New York (Ms. SLAUGHTER) dealing with DES. Much more needs to be done. We need to do more research on it.

Osteoporosis. I am very pleased with the fact that in Medicare, bone mass measurement standardization for osteoporosis is part of that. I pushed it and am continuing to work on research for it. We know that one out of every eight men will have an osteoporotic fracture over the age of 50, and one out of every two women after the age of 50.

The research on cancer. Look at breast cancer. Mr. Speaker, 182,000 women will be touched by breast cancer, diagnosed having breast cancer every year, and 46,000 of them are going to die because of that. Much more is being done with that research.

We could cite all kinds of examples. For instance, at the Race for the Cure to see those women wearing those pink hats, which means they are survivors, and each year the numbers increase because each year we do a lot more with research, making sure that quality mammograms are available, notification.

Ovarian cancer is increasing, and yet we know now that it is treatable. If we can learn how to detect it earlier, it can make a difference between life and death.

Heart attack, stroke, cardiovascular diseases. Remember the famous aspirin test where they used 43,000 male medical students to determine the effect of aspirin on cardiovascular diseases, and used no women, and yet they extrapolated from that that this is the way that women would be responding to it. They did the same thing with coffee. They did a test with how would coffee and caffeine affect cardiovascular diseases, and it was done with all men.

Well, we know that it is the number one killer of men and women, but it kills even more women than it does men. And with women, they get it later and they die faster.

Mr. Speaker, these are the kinds of things that mean that this bill, with its reauthorization, is critically important. Of course, aging processes. Obviously, I stand here and I can say that I am a testament to the fact that we need to do more work with regard to the aging processes. And, of course, people are living longer lives, too.

The Office of Research on Women's Health. That is kind of a technical amendment that is put in there to allow Dr. Varmus, for instance, to do the appointing of the Advisory Committee on Research on Women's Health.

Also with regard to CDC, we had the gentleman from Vermont (Mr. SANDERS) speak. I am cosponsor of his legislation. I think it is important that we look at the Cancer Registry and find out whether we have some other facets or conditions that yield an extraordinary number of cancer deaths in particular regions. So, in the CDC National Breast and Cervical Cancer Early Detection Program, again looking at the underserved women.

So, all in all, maybe as someone said, this bill could even go further. But I think it is terrific. I think it is a great piece of legislation. Again, I want to commend the authors of it, who have worked very hard to make sure that here in this penultimate day of session, that we have an opportunity to vote on it. So I congratulate them and say let us move on.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise today in strong support of H.R. 4683, the Women's Health Research and Prevention Amendments of 1998.

I would like to thank the gentleman from Florida (Mr. BILIRAKIS), chairman of the Subcommittee on Health and Environment of the Committee on Commerce, and the gentleman from Ohio (Mr. BROWN), ranking Democrat, for sponsoring this most important bill here in the House.

This bill would bring much-needed attention to research and prevention programs at the National Institutes of Health and the Centers for Disease Control and Prevention that target the particular health concerns of women, including osteoporosis, breast and ovarian cancer and the aging process.

I am particularly pleased that in addition to the reauthorization of these important programs, the bill includes a new research program at the National Heart, Lung, and Blood Institute to target heart attack, stroke, and other cardiovascular diseases in women.

□ 1715

The language of this provision was drawn from the Women's Cardiovascular Diseases Research and Prevention Act that I and Senator BOXER introduced earlier in the Congress. I introduced this bill because I strongly believe that aggressive steps needed to be taken to combat this silent killer of American women.

There has been far too little focus on the number one killer of women in the United States, cardiovascular disease. This is despite the fact that more than 500,000 women die of heart attack, stroke and other cardiovascular diseases. One in five females has some form of cardiovascular disease. While all women are at risk, statistics show that African American women are especially at risk. For African American women between the ages of 35 and 74, the death rate from heart attacks is twice that of Caucasian women. Yet studies show that four out of five women are unaware of the threat of cardiovascular diseases.

It is tragic that the symptoms of women's heart disease often go unrecognized or are often misdiagnosed. H.R. 4683 would target this killer of American women. It would educate women and doctors about the dire threat heart disease poses to them, educate doctors on the risks and symptoms unique to women and improve research and services for women in cardiovascular disease.

I want to thank the American Heart Association, the American Medical Women's Association, the Washington Hospital Center and many other organizations and individuals for all of their work on this issue, and especially Dr. Davidson.

In particular, I want to recognize the work of the American Heart Association. They have worked tirelessly to educate the public about women's heart disease. They have launched a special initiative focusing on women and heart disease and made the Women's Cardiovascular Diseases Research and Prevention Act a centerpiece of their legislative strategy.

Once again, I would like to thank the gentleman from Florida (Mr. BILIRAKIS) for all that he has done and Senator FRIST, who carried the bill on the Senate side, for including heart disease in this important women's health research and prevention bill.

Mr. BILIRAKIS. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. FOX).

Mr. FOX of Pennsylvania. Mr. Speaker, great credit is owed to the gentleman from Florida (Mr. BILIRAKIS), chairman of the Subcommittee on Health and Environment, for his leadership in moving this legislation forward and really making a difference for all Americans. This legislation obviously affects the women in our families, and we certainly know that is the number one health care issue, funding for the NIH, National Institutes of Health, and the Centers for Disease Control. That kind of funding then goes to teaching hospitals, to research centers all across the country, coming

forth with new discoveries on strategies to help women's health care.

My thanks again to the American Heart Association for what they are doing to move forward, as the gentlewoman from California just outlined. I also have to look to the Philadelphia Stroke Council, to Toby Mazer, who has been a trailblazer in this area. Every one knows that stroke is a brain attack. And what people may not know is there are warning signs for stroke just like there are warning signs for heart attack. What she is trying to do in her Philadelphia Stroke Council is to make sure that we know about those warning signs, that there is public education in that regard, that there are prevention strategies. Just like every other major illness, we want to get people to the hospitals as quickly as possible in that golden hour.

This legislation goes to the research to determine the reasons underlying the prevalence of heart attack, stroke and other cardiovascular diseases in women. This legislation will give us the funding for basic research concerning the etiology and causes of cardiovascular diseases in women. It also will give us the epidemiological studies to address the frequency and natural history of such diseases and the development of safe, efficient and cost-effective diagnostic approaches.

Our thanks to the Linda Creed Foundation, the Susan Komen Foundation, the National Ovarian Cancer Council and the American Cancer Society. All of them have worked, together with the gentleman from Florida (Mr. BILIRAKIS) and with the gentleman from Virginia (Mr. BLILEY), to make sure that working with the Senate legislation like this, which is going to help us prevent cardiovascular disease, will in fact be an accomplished fact. It will include applications of affected methods for the control of blood pressure and obesity, information and education programs for patients and health care providers regarding risk factors associated with heart attack, stroke and other cardiovascular diseases.

I stand to support again this important legislation. And one last item, Mr. Speaker, the cancer registry will help us with the regional aspects of diseases and what we can do as States and regions to make sure we are changing the environmental factors that may be affecting a very large health care concern.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 2 minutes.

I want to point out as several of us have mentioned but discuss for another moment part of this bill. The only part of this bill that is a new authorization deals with research in heart attack, stroke and other cardiovascular diseases in women. During a women's health seminar, a program that my office put on in Medina, Ohio some time ago, a cardiovascular surgeon, a female cardiovascular surgeon from Cleveland pointed out to us something that I think women across the country are too often unaware of. That is that while men more often have heart attacks than women do, women are more often, more likely to die of heart attacks than men because women do not really think of themselves as likely victims of heart disease because our society, for whatever reason, has led most of us to believe that men get heart attacks and women get other diseases. And so I think it is particularly important that more research is done on this.

It is particularly important that we do better education, among women especially. Whether it is my mother in Mansfield, Ohio or whether it is women across this country, they need to obviously be aware to look for those symptoms, as men I think in society are conditioned to look at those symptoms that might be leading up to a heart attack.

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

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

I would like to close strongly recommending an aye vote on this legislation. It is really the result of a work in progress over a period of time. We have recognized other Members who have introduced pieces of legislation which we have incorporated in so many words into this piece of legislation. And certainly my gratitude to Senator FRIST was mentioned. He has been very, very cooperative. We have worked with him for quite some time on this. His staff, the gentleman from Virginia (Mr. BLILEY), the majority committee staff, the gentleman from Michigan (Mr. DINGELL) and the gentleman from Ohio (Mr. BROWN) and their fine staff over there. We were able to show what can be done, another illustration of what can be done when Members are willing to sit around the table and work in a bipartisan fashion.

Ms. DELAURO. Mr. Speaker, I rise today in support of the Women's Health Research and Prevention Amendments of 1998. This bill will make significant contributions to research in many diseases which affect women. I thank Chairman BILIRAKIS for his work in drafting this legislation and moving it to the floor so quickly at the end of this session.

Women's health research and has been ignored for far too long, and this bill will add to the important progress we have made over the last several years. As an ovarian cancer survivor, I am particularly pleased that this bill will reauthorize programs into research for ovarian cancer.

Currently there is no diagnostic test to detect ovarian cancer in the early stages when it is highly curable. Instead, most cases of ovarian cancer are found in the advanced stages, and nearly two-thirds of women with the disease die within 5 years of diagnosis because their illness was detected too late. This research will help the National Institutes of Health to continue its work to improve early detection, find new treatments, and one day find a cure.

But there are a number of other bills before this Congress which would do just as much to promote women's health, and I am deeply disappointed that we have not yet had the opportunity to act on them. We have not yet taken any action to outlaw drive through mastectomies by passing the Breast Cancer Patient Protection Act. I introduced this bipartisan bill in the first days of the 105th Congress, and it has 219 cosponsors—Republicans and Democrats alike, enough to pass it today if it was brought to the floor for a vote. This bill is vitally important in ensuring that breast cancer patients get the care they need to recover from this devastating surgery.

Congress has not yet acted to pass legislation that would ensure that women with no health insurance, who are diagnosed with breast cancer after getting a mammogram through the Breast and Cervical Cancer Early Detection Program, have access to treatment. As it stands now, many women who discover through this screening program that they have breast cancer are left in the unfathomable position of being unable to afford the treatment they need to survive.

Other important women's health bills we have yet to address include: legislation which would provide coverage of reconstructive surgery after mastectomies for breast cancer patients; legislation which would outlaw genetic discrimination by insurance companies; and legislation which would allow women to choose OB/GYNs as their primary care physicians.

I am also disappointed that this bill does not expand the Centers for Disease Control's WiseWoman project. During the 103rd Congress, we started this demonstration project at three clinics which participated in the Breast and Cervical Cancer Early Detection Program. WiseWoman gives uninsured women access to better all-around health care, and allows them to develop relationships with staff that keeps them going back for fellow-up care.

The clinics participating in this project do more than just test for breast and cervical cancer—they test for high blood pressure, diabetes, and other illnesses. The WiseWoman program has been highly successful in improving women's health and I would hope that as Congress expands funding for the successful Breast and Cervical Cancer Early Detection Program, we would expand the WiseWoman program as well.

This bill is a good first step in furthering a research agenda that will improve women's lives. I hope that we can continue to work together to pass all of these bills which are vital to the health of American women.

Mr. BLILEY. Mr. Speaker, I am pleased the House will pass S. 1722, ''The Women's Health Research and Prevention Amendments of 1998.''

This bill revises and extends a number of important women's health research and prevention programs at the National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC). Mr. BILIRAKIS and I introduced the companion measure to S. 1722, the ''Women's Health Research and Prevention Amendments of 1998.'' S. 1722 was introduced by Senator BILL FRIST and enjoys strong bipartisan support, including Senators LOTT, DASCHLE, JEFFORDS and KENNEDY.

One of the most important programs reauthorized by this bill is the National Breast and Cervical Cancer Early Detection Program. S. 1722 extends this important program, which provides for regular screening for breast and cervical cancers to underserved women, prompt follow-up if necessary, and assurance that the tests are performed in accordance with current quality recommendations. The CDC supports activities at the State and national level in the areas of screening referral and follow-up services, quality assurance, public and provider education, surveillance, collaboration and partnership development. S. 1722 would assist CDC to be more aggressive in helping women fight the twin scourges of breast and cervical cancer.

I am very proud that our Committee has done more than reauthorize the National Breast and Cervical Cancer Early Detection Program. Just a few weeks ago this committee led the effort on the floor to pass H.R. 4382, the Bliley-Bilarikis Mammography Quality Standards Reauthorization Act of 1998. This bill assured the safety, accuracy, and overall quality in mammography services for the early detection of breast cancer. Women who seek mammograms, however, must be assured that their results will be accurate and not misleading. I am pleased that the President has signed the Mammography Quality Standards Reauthorization Act of 1998 into law.

I urge my colleagues to join me in voting for S. 1722 ''The Women's Health Research and Prevention Amendments of 1998'' and I urge the President to sign this bill into law as well.

Mr. GILMAN. Mr. Speaker, I rise today in support of S. 1722, the Women's Health Research and Prevention Amendments of 1998. Since October is National Breast Cancer month, it is appropriate that this legislation, that not only deals with breast cancer, but also cervical and ovarian cancer and cardiovascular diseases, be brought to the floor today.

This legislation will reauthorize many important programs at the National Institutes of Health and the Centers for Disease Control which have been instrumental in combating various diseases such as breast, cervical and ovarian cancers and heart attacks and strokes. Studies performed by NIH and the CDC have helped educate many women about the advantages of early detection and prevention and have saved millions of lives. Further funding for these programs will help to ensure that research and studies of diseases affecting women continue.

Without past studies and demonstration projects, many women would not have been informed about early detection and as a result would have succumbed to the horrible effects of cancer and cardiovascular diseases. This bill will not only educate the public, but will also help educate the doctors and nurses who treat women about how these diseases specifically attack women.

I applaud the efforts of my colleague, the gentleman from Florida, Mr. BILIRAKIS, for bringing this important legislation forward today. Accordingly, I urge my colleagues to support this significant legislation.

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

The SPEAKER pro tempore (Mr. BOEHLERT). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and pass the Senate bill, S. 1722.

The question was taken.

Mr. BILIRAKIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

DRIVE FOR TEEN EMPLOYMENT ACT

Mr. FAWELL. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 2327) to provide for a change in the exemption from the child labor provisions of the Fair Labor Standards Act of 1938 for minors who are 17 years of age and who engage in the operation of automobiles and trucks.

The Clerk read as follows:

Senate amendment:

Page 4, strike out all after line 4, down to and including line 10, and insert:

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—This Act shall become effective on the date of enactment of this Act.

(2) EXCEPTION.—The amendment made by subsection (a) defining the term ''occasional and incidential'' shall also apply to any case, action, citation or appeal pending on the date of enactment of this Act unless such case, action, citation or appeal involves property damage or personal injury.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illnois (Mr. FAWELL) and the gentleman from California (Mr. MARTINEZ), each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. FAWELL).

Mr. FAWELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2327, the Drive for Teen Employment Act, is a bipartisan bill introduced by the gentleman from California (Mr. COMBEST), the gentleman from Texas (Mr. GREEN), and the gentleman from California (Mr. MARTINEZ).

The bill previously passed the House by a voice vote on September 28. The bill modifies a regulation of the Department of Labor which has been narrowly interpreted to essentially prohibit 16- and 17-year-old employees from driving on public roads as part of their employment. The Department of Labor's current interpretation, which is not required by the regulation itself, was announced in the context of enforcement actions against certain employers who received no advanced notice of this narrow interpretation of the child labor laws.

Although existing regulations allow for occasional and incidental driving on the job by 16- and 17-year-olds, the department's interpretation has the effect of preventing young people under the age of 18 from any driving during employment except perhaps in ''rare and emergency'' situations.

The department's current interpretation has jeopardized important job opportunities for many teenagers without demonstrating any increase in safety on the job. Furthermore, many innocent small business owners have been fined by the Department of Labor on the basis of an interpretation of a regulation of which they did not have any notice.

H.R. 2327 will put into law a new test with regard to the amount of time that teenage employees can drive on the job. Under the bill, only 17-year-olds will be permitted to drive during employment. In addition, there is a limitation on the number of trips per day that a 17-year-old may drive for the purposes of delivering packages or transporting other persons. The bill retains all of the other conditions that are now part of the current regulation. That is, the vehicle must weigh less than 6,000 pounds, the driving must be restricted to daylight hours, the minor must hold a State driver's license, the vehicle must be equipped with a seat belt or similar restraining device for the driver and for each helper, and the employer must instruct each minor that seat belts must be used, and the driving does not involve the towing of other vehicles and the driving is occasional and incidental to the minor's employment.

This bill was passed yesterday by the Senate with an amendment to clarify the effective date of the legislation. The Senate change clarifies the House-passed bill to specify that the bill will apply to any case action, citation or appeal which is pending on date of the enactment of the bill unless the case action, citation or appeal involves property damage or personal injury.

H.R. 2327 will not decrease safety on the roads or endanger teenage employees. It is a reasonable and practical solution to the Department of Labor's overly restrictive and unfairly enforced interpretation which has denied job opportunities to young people without increasing safety.

This clarification will help to make driving on the job by teens safer and employers will still have every incentive to ensure that their teenage employees drive safely.

I urge my colleagues to support this bipartisan legislation.

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

Mr. MARTINEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Illinois (Mr. FAWELL) has said, two weeks ago the House considered H.R. 2327, the Drive for Teen Employment Act. I will not go through the myriad of conditions of the bill.

Under current law minors are permitted to drive on the job under occasional and incidental circumstances. Under that definition, the automobile dealerships across the country regularly employed minors to wash and detail cars, move cars on lots and occasionally drive an automobile to a nearby lot or gas station.

□ 1730

These jobs provided employment for thousands of young people. However, in 1994, the Department of Labor, without any rulemaking, decided to define occasional and incidental so narrowly as to prohibit minors from driving on the job under almost all circumstances.

The department then fined 60 Seattle area auto dealers nearly $200,000, $200,000 for alleged child labor law violations and caused nearly one thousand 16 and 17 year olds to become unemployed.

To address this problem, my colleague, the gentleman from Texas (Mr. COMBEST) introduced H.R. 2327 which clarifies the term occasional and incidental to permit 17 years olds with clean driving records to drive on the job under limited circumstances within the 30-mile radius of the job site.

This bill merely removes the concerns that small business owners have about hiring teenagers for jobs that require limited driving and establishes clear guidelines to assist the department in enforcing a regulation under its jurisdiction.

Because of its noncontroversial nature, H.R. 2327 passed the House by voice vote on September 28. Yesterday, it unanimously passed the Senate with an amendment.

The Senate amendment merely corrects the drafting error in the House-passed bill regarding the bill's date of enactment of this clarifying amendment. This clarifying amendment makes no substantive changes to the bill and passage of the Senate amendment will clear this measure for the President's signature.

At a time when, according to the Secretary of Labor, Alexis Herman, despite the strong economy, young people living in high poverty areas do not have jobs. We need to pass H.R. 2327 and put thousands of young people back to work.

As such, I urge my colleagues to support this technical amendment to H.R. 2327 and pass the bill.

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

Mr. FAWELL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. COMBEST) who is the chief sponsor of this legislation and deserves so much of the credit for driving and doggedly pursuing the passage of this legislation.

Mr. COMBEST. Mr. Speaker, I do rise today in support of H.R. 2327, the Drive For Teen Employment Act.

This bill clarifies a Department of Labor regulation that has unnecessarily restricted teens from employment opportunities. Under current department interpretation, a 17 year old cannot drive more than one incident a week without opening their employer to a fine that could be as high as $10,000. This interpretive change was made with no public notification and without informing any small businesses. Businesses first became aware of this change when they received fines for noncompliance.

Within the bill, we provide significant safety provisions to ensure safe operations, while not preventing incidental and occasional driving by young workers. Previously this bill was passed by voice vote at both the subcommittee and the committee level and was passed by voice vote in the full House on September 28. We are considering it today simply because of a technical clarification by the other body that has no substantive impact on the bill.

This common-sense legislation is a product of months of good faith, bipartisan work with my cosponsors, the gentleman from Texas (Mr. GREEN) and the gentleman from California (Mr. MARTINEZ). The bill has 83 cosponsors and is supported by the National Small Business United, the National Automobile Dealers Association and the National Association of Minority Automobile Dealers. The Department of Labor does not oppose this bill.

I want to thank everyone for all of their hard work on this. I would encourage my colleagues to support passage of H.R. 2327.

Mr. MARTINEZ. Mr. Speaker, I yield as much time as he may consume to the gentleman from Texas (Mr. GREEN).

(Mr. GREEN asked and was given permission to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, I rise in support of H.R. 2327, the Drive For Teen Employment Act. I have been working on this bill for the last 3 years. With the leadership of the gentleman from Texas (Mr. COMBEST) and the gentleman from California (Mr. MARTINEZ) and our Committee on Education and the Workforce Members, we have reached the right balance between safety and common sense. As my colleagues have stated, this bill passed the House on September 28 by voice vote.

Last night, the Senate adopted H.R. 2327 under unanimous consent with a technical clarification. The technical correction has no substantive impact on the bill. It merely corrects the enactment date.

The bill will help increase employment opportunities for 17 years olds, and I encourage my colleagues to support it. H.R. 2327 addresses the liability of licensed 17 years olds to drive limited amounts on the job.

Under current law, minors are permitted to drive on the job within certain limits. However, the Department of Labor has narrowly defined these restrictions to the point that minors would be prohibited from driving on the job under most circumstances.

Fines have been levied, it was mentioned earlier, against automobile dealerships and other businesses having teens complete such tasks as moving cars after they are washed and returning vehicles from the gas station.

The Drive For Teen Employment Act will establish a clear definition for limited driving, while maintaining injury-prevention measures on the job.

This bill will allow limited driving for 17 year olds in low risk and supervised settings and provides numerous safeguards, including work-related driving is restricted to daylight hours, towing is prohibited, the driver must hold a State driver's license and must have completed a State approved driver education course, the driving is capped at 20 percent of the workweek, minors must not have any record of moving violations at the time they are hired, driving distances is limited to a 30-mile radius, and route deliveries and route sales are prohibited.

By establishing safety precautions and clear guidelines for employers, we can encourage much-needed employment for our teenagers, while maintaining safety measures on the job. I have been told that the President will sign this reasonable legislation, and I encourage my colleagues support.

Mr. FAWELL. Mr. Speaker, I yield 3 minutes to the gentleman from Montgomery County, Pennsylvania (Mr. FOX).

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to speak and rise in strong support of H.R. 2327, the bill of the gentleman from Texas (Mr. COMBEST), which will in fact provide a change in the exemption from the child labor divisions of the Fair Labor Standards Act of 1938 for minors between 16 and 18 years of age who engage in the operation of automobiles and trucks.

We certainly here in Congress, in a bipartisan fashion, must open opportunities for our youth. Many young people could get involved in things that would not be positive. Here we have young people working for business, gainfully employed maybe at the business that they will someday assume ownership in or start their own business as a result of being involved in that youthful experience which is positive.

This bill will certainly allow those youth who already are involved as employees to continue serving. Those who have not yet been a part will have a chance to do so. Many businesses all across this country depend upon younger workers as part of their work force. Frankly, this is in the urban areas, Mr. Speaker, the rural, as well as suburban areas.

Those jobs are for our youth, and we know how important that is for young people to have the opportunity to have employment, to have a job, to have a positive experience.

This is also an area for training that can come. The young people also, always looking for new jobs where training can be part of their work experience, whether they be in the votech education area or the academic disciplines.

The safety concerns that some may question have been addressed fully. The gentleman from Texas (Mr. GREEN), the gentleman from California (Mr. MARTINEZ), the gentleman from Texas (Mr. COMBEST) have addressed them to a great extent. But driver ed is included. I cannot stress that enough. Many accidents happen with young people. But

this bill specifically speaks of driver ed, its importance, and its importance to this legislation.

Another point I wanted to make is the Chambers of Commerce have supported this legislation. They are the organizations where small businesses and medium-size businesses have said this legislation will help us make sure we are at full employment, that we reach that goal.

I think it was very important to point out, Mr. Speaker, that this legislation is bipartisan. It has a great number of sponsors, almost 100, and it has been bipartisan. That is the whole mark of making this house work; Republicans, Democrats, Independents working together to have positive legislation for our youth, for our employment, for our economy. That is what this bill, H.R. 2327, represents.

I would ask that this vote be unanimous, and I hope that others in the chamber who have not yet been involved in the legislation join us in this quest to help our young people and to help the economy.

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

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

The SPEAKER pro tempore (Mr. BOEHLERT). The question is on the motion offered by the gentleman from Illinois (Mr. FAWELL) that the House suspend the rules and concur in the Senate amendment to H.R. 2327.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment to H.R. 2327 was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FAWELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2327.

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

There was no objection.

RECOGNIZING IMPORTANCE OF AFRICAN-AMERICAN MUSIC

Mr. NORWOOD. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 27) recognizing the importance of African-American music to global culture and calling on the people of the United States to study, reflect on, and celebrate African-American music.

The Clerk read as follows:

H. CON. RES. 27

Whereas artists, songwriters, producers, engineers, educators, executives, and other professionals in the music industry provide inspiration and leadership through their creation of music, dissemination of educational information, and financial contributions to charitable and community-based organizations;

Whereas African-American music is indigenous to the United States and originates from African genres of music;

Whereas African-American genres of music such as gospel, blues, jazz, rhythm and blues, rap, and hip-hop have their roots in the African-American experience;

Whereas African-American music has a pervasive influence on dance, fashion, language, art, literature, cinema, media, advertisements, and other aspects of culture;

Whereas the prominence of African-American music in the 20th century has reawakened interest in the legacy and heritage of the art form of African-American music;

Whereas African-American music embodies the strong presence of, and significant contributions made by, African-Americans in the music industry and society as a whole;

Whereas the multibillion dollar African-American music industry contributes greatly to the domestic and worldwide economy; and

Whereas African-American music has a positive impact on and broad appeal to diverse groups, both nationally and internationally: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) recognizes the importance of the contributions of African-American music to global culture and the positive impact of African-American music on global commerce; and

(2) calls on the people of the United States to take the opportunity to study, reflect on, and celebrate the majesty, vitality, and importance of African-American music.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. NORWOOD) and the gentleman from California (Mr. MARTINEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. NORWOOD).

GENERAL LEAVE

Mr. NORWOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 27.

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

There was no objection.

Mr. NORWOOD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H. Con. Res. 27 offered by my colleague, the gentleman from Pennsylvania (Mr. FATTAH). H. Con. Res. 27 recognizes the unique contributions and importance of African-American music to American culture and calls on the people of the United States to study and celebrate our African-American music heritage.

I commend my colleague, the gentleman from Pennsylvania (Mr. FATTAH), for introducing this resolution. African Americans have had a profound influence on American music. In fact, in my hometown, Augusta, Georgia, we can lay claim to more than its great share of African-American musicians. Both the renowned opera and gospel singer, Jessye Norman and the godfather of soul himself, James Brown hail from the Augusta area.

Finally, I would also like to point out that the resolution states that African-American musicians have not only influenced American music but also have had a profound impact on American culture. This influence can be seen in dance, language, fashion, and literature.

This resolution rightly recognizes the contributions of African-American music and its larger effect in shaping much of the social and cultural and political fabric of our Nation. I urge my colleagues to vote in favor of it.

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

Mr. MARTINEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a cosponsor of H. Con. Res. 27, I rise in strong support of this resolution. This measure formally recognizes the importance of African-American music to our culture here in the United States as well as the global culture.

Through jazz, blues, gospel, rock, rhythm and blues, and hip-hop, African-American musicians have influenced art, literature, fashion, dance, and the media. African-American music has contributed internationally to international commerce as well as adding billions of dollars each year to the world economy.

Perhaps the greatest impact of African-American music is right here at home where the expression of beliefs and hopes and struggles and of triumphs have been woven into the social, cultural, economic, and political fabric of the United States and has made our Nation unique.

□ 1745

Mr. Speaker, I commend the gentleman from Pennsylvania (Mr. FATTAH) for his leadership in authoring this legislation, and I yield him such time as he may consume.

(Mr. FATTAH asked and was given permission to revise and extend his remarks.)

Mr. FATTAH. Mr. Speaker, I thank both the gentleman from Georgia (Mr. NORWOOD) for his kind remarks and his assistance in bringing this resolution to the floor and also my colleague who serves with me from the great State of California. I think it is true that almost everything that needs to be said about this has been said so I will not belabor the point.

I do want to thank all of my colleagues, many of whom have cosponsored this legislation who are on both sides of the aisle, for this Congress to pause and to reflect on the importance of the contributions of African-American music to not only this Nation's culture but to the world as we have on other occasions paused and reflected on the contributions of country or other types of music. I think that it is appropriate. I want to thank the leadership of the House for bringing this resolution to the floor.

I would just say to my colleague from Georgia who talked about Augusta, Philadelphia has its own history

and legacy of people who have contributed to our music in this country. I will not go through that long list because then all of us would take to the floor and talk about those who may have contributed, but I do appreciate the pride of which he speaks for those who come from his great State and from his hometown.

Mr. NORWOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. FOX).

Mr. FOX of Pennsylvania. Mr. Speaker, I rise in strong support of H. Con. Res. 27 and thank the gentleman from Georgia for yielding me the time so I can speak in support.

I congratulate the gentleman from Pennsylvania (Mr. FATTAH) on this outstanding resolution. This is a resolution that certainly is timely. Here we are going to recognize through this resolution the importance of African-American music to global culture. Whereas African-American music has in fact been a positive influence, Mr. Speaker, on dance, fashion, language, art, literature, cinema, media and other aspects of culture, and the prominence of African-American music in the 20th century has reawakened interest in the legacy and heritage of the art form of African-American music. Moreover, it has embodied the strong presence and significant contributions made by African-Americans in the music industry and society as a sole. Moreover, the industry contributes greatly to the domestic and worldwide economy, and as well those great African-American musicians such as Ray Charles and Ella Fitzgerald to my hometown area of greater Philadelphia where the gentleman from Pennsylvania (Mr. FATTAH) hails from. We have had our share of great African-American musicians who have gone on to not only entertain us here in the United States but across the world. It is to them that we salute tonight each of these individuals for their joint and collective contributions.

I hope that those who will hear about this resolution will in fact find inspiration in the works and will become in fact the new heroes and heroines of tomorrow in providing for our entire culture the expansion of entertainment and of musical contribution that makes the rich culture that we call the United States.

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

Mr. NORWOOD. Mr. Speaker, I yield myself such time as I may consume. Let me just conclude by saying that our list may be a little short of the gentleman from Pennsylvania (Mr. FATTAH), but we will put Ms. Norman up against anybody that wants to sing.

I want to just simply urge Members of this body and my colleagues to vote for this resolution but maybe even more importantly, if they have never spent a Wednesday night or a Sunday night in an African-American church and listened to the fabulous gospel music, I urge them to do that.

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

The SPEAKER pro tempore (Mr. BOEHLERT). The question is on the motion offered by the gentleman from Georgia (Mr. NORWOOD) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 27.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 4805 de novo; H.Res. 562 de novo; H.Res. 518 de novo; concurring in Senate amendment to H.R. 1274 de novo; S. 1754 de novo; conference report on S. 1260 de novo; and S. 1722, by the yeas and nays.

EXECUTIVE BRANCH TRAVEL REPORTS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 4805.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 4805.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CONCERNING PROPERTIES WRONGFULLY EXPROPRIATED BY FORMERLY TOTALITARIAN GOVERNMENTS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 562.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the resolution, House Resolution 562.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

CALLING FOR FREE AND TRANSPARENT ELECTIONS IN GABON

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 518, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the resolution, House Resolution 518, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

TECHNOLOGY ADMINISTRATION ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and concurring in the Senate amendment to the bill, H.R. 1274.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 1274.

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

A motion to reconsider was laid on the table.

HEALTH PROFESSIONS EDUCATION PARTNERSHIPS ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 1754, as amended.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and pass the Senate bill, S. 1754, as amended.

The question was taken.

Mr. CAMPBELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

The vote was taken by electronic device, and there were—yeas 303, nays 102, not voting 29, as follows:

[Roll No. 527]

YEAS—303

Abercrombie
Allen
Andrews
Armey
Bachus
Baesler
Baldacci
Barcia
Barrett (WI)
Bateman
Becerra
Bentsen
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Borski
Boswell
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Camp
Capps
Cardin
Carson
Castle
Chenoweth
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Cook
Costello
Coyne
Cramer
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hastert
Hastings (FL)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Holden
Hooley
Horn
Houghton
Hoyer
Hulshof
Hutchinson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kim
Kind (WI)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kucinich
LaFalce
Lantos
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Neal
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Pappas
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Pickett
Pomeroy
Porter
Portman
Price (NC)
Quinn
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Rivers
Rodriguez
Roemer
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Serrano
Shays
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith, Adam
Snyder
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Talent
Tanner
Tauscher
Tauzin
Thomas
Thompson
Thornberry
Thune
Thurman
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Weygand
White
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—102

Aderholt
Archer
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bereuter
Bono
Brady (TX)
Burr
Burton
Buyer
Callahan
Calvert
Campbell
Canady
Cannon
Chabot
Chambliss
Christensen
Coble
Coburn
Collins
Combest
Cox
Crane
DeLay
Doolittle
Dreier
Ehrlich
Everett
Foley
Fossella
Fowler
Gibbons
Gillmor
Goss
Hansen
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hoekstra
Hostettler
Hunter
Hyde
Istook
Johnson, Sam
Jones
Kasich
King (NY)
Kolbe
LaHood
Lewis (KY)
Linder
Manzullo
McInnis
McIntosh
McKeon
Miller (FL)
Myrick
Nethercutt
Neumann
Norwood
Oxley
Parker
Paul
Petri
Pickering
Pitts
Pombo
Radanovich
Riggs
Riley
Rogan
Rohrabacher
Royce
Ryun
Salmon
Sanford
Sensenbrenner
Sessions
Shadegg
Shaw
Shuster
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Spence
Stearns
Stump
Sununu
Taylor (MS)
Taylor (NC)
Tiahrt
Whitfield
Wicker

NOT VOTING—29

Ackerman
Berman
Boucher
Brady (PA)
Cooksey
Davis (IL)
Deutsch
Goode
Graham
Hall (OH)
Harman
Hefner
Inglis
Kennelly
Kilpatrick
Lampson
Largent
Lipinski
McCollum
McCrery
McDade
Poshard
Pryce (OH)
Scarborough
Smith (OR)
Souder
Spratt
Visclosky
Wexler

□ 1814

Messrs. HOEKSTRA, COX of California, BURR of North Carolina, NETHERCUTT, HANSEN, HYDE, SHAW and HAYWORTH and Mrs. FOWLER and Mrs. MYRICK changed their vote from ''yea'' to ''nay.''

Messrs. HASTINGS of Florida, BRYANT, GOODLING, BLUNT, WAMP, PAXON and HUTCHINSON and Ms. DEGETTE and Mrs. CHENOWETH changed their vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BOEHLERT). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

CONFERENCE REPORT ON S. 1260, SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the conference report on the Senate bill, S. 1260.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and agree to the conference report on the Senate bill, S. 1260.

The question was taken.

Mr. DINGELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a five-minute vote.

The vote was taken by electronic device, and there were— yeas 319, nays 82, answered ''present'' 1, not voting 32, as follows:

[Roll No. 528]

YEAS—319

Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boyd
Brady (TX)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Etheridge
Everett
Ewing
Farr
Fawell
Fazio
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Granger
Green
Greenwood
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Jones
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Latham

LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Metcalf
Mica
Miller (CA)
Miller (FL)
Minge
Moakley
Moran (KS)
Moran (VA)
Morella
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Paxon
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Spence
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Towns
Traficant
Turner
Upton
Velazquez
Vento
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Weygand
White
Whitfield
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—82

Abercrombie
Baldacci
Becerra
Blagojevich
Bonior
Borski
Brown (CA)
Brown (FL)
Carson
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Cummings
DeFazio
DeGette
Delahunt
Dingell
Dixon
Doggett
Engel
Evans
Fattah
Filner
Frost
Gephardt
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Jackson (IL)
Johnson, E. B.
Kanjorski
Kaptur
Kildee
Klink
Kucinich
Lee
Levin
Lewis (GA)
Markey
McDermott
McKinney
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Mink
Mollohan
Nadler
Oberstar
Obey
Olver
Owens
Pastor
Paul
Payne
Rahall
Rangel
Rivers
Roybal-Allard
Sanders
Schumer
Scott
Serrano
Skaggs
Stark
Stokes
Stupak
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Waters
Watt (NC)
Waxman
Wise
Woolsey
Yates

ANSWERED ''PRESENT''—1

Lowey

NOT VOTING—32

Ackerman
Berman
Boucher
Brady (PA)
Cooksey
Davis (IL)
Deutsch
Goode
Graham
Hall (OH)
Harman
Hefner
Inglis
Johnson, Sam
Kennelly
Kilpatrick
Lampson
Largent
Lipinski
Livingston
McCollum
McCrery
McDade
Murtha
Poshard
Pryce (OH)
Scarborough
Smith (OR)
Souder
Spratt
Visclosky
Wexler

□ 1824

Mr. NADLER changed his vote from ''yea'' to ''nay.''

Mr. LANTOS changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

WOMEN'S HEALTH RESEARCH AND PREVENTION AMENDMENTS OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 1722.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and pass the Senate bill, S. 1722, on which the yeas and nays are ordered.

This will be a five-minute vote.

The vote was taken by electronic device, and there were—yeas 401, nays 1, not voting 32, as follows:

[Roll No. 529]

YEAS—401

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boyd
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lantos
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Spence
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—1

Paul

NOT VOTING—32

Ackerman
Berman
Boucher
Brady (PA)
Chambliss
Cooksey
Davis (IL)
Deutsch
Goode
Graham
Hall (OH)
Harman
Hefner
Inglis
Kennelly
Kilpatrick
Lampson
Largent
Lipinski
McCollum
McCrery
McDade
Murtha
Poshard
Pryce (OH)
Scarborough
Smith (MI)
Smith (OR)
Souder
Spratt
Tiahrt
Wexler

□ 1834

Mr. BLUNT changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF CERTAIN RESOLUTIONS IN PREPARATION FOR THE ADJOURNMENT OF THE SECOND SESSION SINE DIE

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–818) on the resolution (H. Res. 594) providing for consideration of certain resolutions in preparation for the adjournment of the second session sine die, which was referred to the House Calendar and ordered to be printed.

PERSONAL EXPLANATION

Ms. LOFGREN. Mr. Speaker, through an error on rollcall vote 521, I voted present. It should have been an aye.

ANNOUNCEMENT OF BILLS TO BE CONSIDERED UNDER SUSPENSION OF THE RULES ON WEDNESDAY, OCTOBER 14, 1998

Mr. SHAYS. Mr. Speaker, pursuant to House Resolution 575, I announce the following suspensions to be considered tomorrow, Wednesday, October 14, 1998:

H.R. 559, to add bronchiolo-alveolar carcinoma to the list of diseases presumed to be service-connected for certain radiation exposed veterans;

S. 1397, Centennial of Flight Commemoration Act;

S. 1733, to require the Commissioner of Social Security and food stamp State agencies to take certain actions to ensure that food stamp coupons are not issued for deceased individuals;

H.R. 3963, to establish terms and conditions under which the Secretary of the Interior shall convey leaseholds in certain properties around Canyon Ferry Reservoir, Montana;

H.R. 4501, to require the Secretary of Agriculture and the Secretary of the Interior to conduct a study to improve the access for persons with disabilities to outdoor recreational opportunities made available to the public;

H.R. 3878, to subject certain reserved mineral interests of the operation of the Mineral Leasing Act;

H.R. 3972, to amend the Outer Continental Shelf Lands Act to prohibit the Secretary of the Interior from charging State and local government agencies for certain uses of the sand, gravel, and shell resources of the outer continental shelf;

H.R. 4519, to authorize the President to consent to third-party transfer of the ex-USS Bowman County to the USS LST Ship Memorial;

S. 759, to provide for an annual report to Congress concerning diplomatic immunity;

S. 610, Chemical Weapons Convention Implementation Act;

and H.R. 4243, regarding government waste, fraud, and abuse.

CREDIBILITY GAP

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include therein extraneous material.)

Mr. GOSS. Mr. Speaker, there is more than one credibility gap at the White House these days. The President takes credit for balancing the budget and demands that every penny of surplus be set aside for Social Security. But at the same time, he threatens to shut the government down if Congress does not agree to spend at least $14 billion, and probably more, of that surplus on more big government programs that have nothing whatsoever to do with Social Security.

Why does this sound so familiar? This document is the President's 1995 budget, the first year of the Republican-controlled Congress. This Clinton plan called for $200 billion deficits as far as the eye could see with no balanced budget in sight. See page 173, if my colleagues do not believe me.

Do not be confused or misled by the President's parsing and finger wagging. The fact is that the Republican Congress balanced the budget and now President Clinton plans to shut down the government unless we spend billions more. That is the truth.

BUDGET AGGREGATES

TABLE S–1.—OUTLAYS, RECEIPTS, AND DEFICIT SUMMARY

[In billions of dollars]

Category	1994 actual	Estimate					
		1995	1996	1997	1998	1999	2000
Outlays							
Discretionary:							
National defense	282.2	272.1	262.2	257.5	255.1	260.2	268.3
International	20.8	22.1	21.0	20.9	20.4	20.2	20.1
Domestic	242.6	259.6	265.8	269.3	264.9	262.8	261.1
Subtotal, discretionary	545.6	553.8	549.0	547.7	540.4	543.3	549.6
Mandatory:							
Programmatic:							
Social Security	316.9	333.7	351.4	369.9	389.4	409.8	430.7
Medicare and Medicaid	223.9	242.8	270.6	295.9	322.4	349.6	380.5
Means-tested entitlements (Except Medicaid)	88.4	96.1	101.1	110.3	116.5	122.6	132.1
Deposit insurance	−7.6	−12.3	−6.3	−1.4	1.2	−1.3	−3.5
Other	128.6	131.9	131.4	134.2	135.4	140.5	146.1
Subtotal, programmatic	750.2	792.2	848.2	909.0	964.9	1,021.2	1,085.9
Undistributed offsetting receipts	−37.8	−41.4	−42.1	−42.4	−43.0	−39.4	−40.0
Subtotal, mandatory	712.4	750.9	806.2	866.6	921.9	981.8	1,045.9
Net interest	203.0	234.2	257.0	270.4	282.9	297.1	309.9
Subtotal, mandatory and net interest	915.4	985.1	1,063.2	1,137.0	1,204.8	1,278.9	1,355.8
Total outlays	1,460.9	1,538.9	1,612.1	1,684.7	1,745.2	1,822.2	1,905.3
Receipts	1,257.7	1,346.4	1,415.5	1,471.6	1,548.8	1,624.7	1,710.9
Deficit	203.2	192.5	196.7	213.1	196.4	197.4	194.4

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SESSIONS). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

JUDICIAL ATTENDANCE AT PRIVATELY-FUNDED SEMINARS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. Skaggs) is recognized for 5 minutes.

Mr. SKAGGS. Mr. Speaker, I think everybody here would agree that it would be unfair for a judge to accept an expense paid vacation from one party in a lawsuit. That is why there are judicial ethics rules against accepting gifts from anyone who is likely to appear in a judge's court. But suppose a corporation, instead of paying directly, gives money to a foundation to pay for

the vacation indirectly. Does that make it all right? Of course not.

Believe it or not, it happens routinely, and apparently it is okay under the current reading of the Judicial Code of Conduct.

Earlier this year, The Washington Post reported that a substantial number of Federal judges had attended or were planning to attend seminars run by a group called the Foundation for Research on Economics and the Environment, known by the acronym FREE.

FREE, with funding from several oil and mining companies and other groups, invited Federal judges to a Montana guest ranch for seminars on alternatives to traditional environmental laws. The ethical implications of these vacation seminars need careful review. That is why I authored report language to the Commerce, Justice, State, Judiciary Appropriations bill requesting the Judicial Conference to examine the ethical considerations that bear on judges' decisions to attend this type of seminar.

Specifically, it requested a review of the extent to which a judge's acceptance of sponsor-paid travel and lodging raise questions under the Code of Conduct and applicable law and of the ability of the Judicial Conference to give ethical advice to judges about attending particular seminars.

While the CJSJ bill was pending in committee, I received a letter from the director of the Administrative Office of the Courts assuring me they were aware of the concerns raised in the press and by Congress and were addressing them.

Really? When Judicial Conference Committee on Codes of Conduct met last month, they evidently saw no need to revise or supplement their current guidance on the issues raised by our committee's report. This guidance is apparently contained in a single advisory opinion which states that judges may accept a gift of free lodging and expenses, ''so long as the donor is not a party in litigation before and its interests are not likely to come before the invited judge.''

The Judicial Code of Conduct is not limited to avoiding direct conflicts of interest, however. Canon Two of the Code states, ''A judge should avoid impropriety and the appearance of impropriety in all activities.'' In other words, a judge must not only be impartial but must inspire the confidence of all parties that their cases will be tried solely on the merits.

Under the interpretation provided by the Judicial Conference, judges may accept gifts in the form of free travel and vacation seminars so long as they are not directly sponsored by an entity likely to appear as a party to a case, and the judge need not investigate further. This allows persons or corporations interested in Federal litigation effectively to launder their gifts to judges by passing them through a nonprofit foundation.

If it is not ethical to accept gifts from those with current or likely interests in litigation, can it honestly be made ethical by having these gifts pass through a foundation? Should not the Judicial Conference require full disclosure in advance of all sources of funding for such seminar trips, so judges can make informed decisions and so the public can evaluate any questionable circumstances?

The Judicial Conference's response relies on the argument that the contributors do not necessarily control the views conveyed in these seminars. But how realistic is that? The fact is, the contributors give money precisely because they support the views expressed in the seminars or, more accurately, the seminars exist to propound their views.

□ 1845

Certainly everyone has a right to communicate their views on the law to judges, and it is healthy for lawyers, economists, judges to discuss the law, including novel theories. The Federal Judicial Center, the educational arm of the judicial branch, sponsors seminars to do just that.

The problem comes with the inducement to judges of free travel and lodging, sometimes worth thousands of dollars, paid for by corporations and others to promote a particular school of thought. This is difficult to reconcile with the obligation to avoid the appearance of impropriety. Free travel and lodging paid for once removed by those with a stake in litigation is okay as long as it is couched in terms of an educational seminar? You have got to be kidding.

Parsing the educational content of a particular seminar makes no sense. It is the receipt of gifts from those interested in litigation and with an ideological ax to grind that creates the problem, not the curriculum of the seminar that provides cover for the gift.

The Judicial Conference needs to look again at this issue, this time keeping in mind there are no free lunches, or in this case, vacations.

PRESIDENT SHOULD USE POWERS AT HIS DISPOSAL TO HELP U.S. STEEL INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. REGULA) is recognized for 5 minutes.

Mr. REGULA. Mr. Speaker, the steel industry and the steelworkers and their families are feeling the unfair impact of cheap steel being imported in the United States market in very large quantities. This hardship threatens to grow much worse in the months ahead as other markets dry up and the United States becomes the target of dumping in order to gain hard currency.

Mr. Speaker, I tell the President that Congress has provided him with the tools to help steelworkers. There are already a number of remedies under the United States trade laws that the President should use, if appropriate, to deal with the significant increase of steel imports.

Number one, the most significant and far-reaching power is under the International Economic Emergency Powers Act. Under this act, the President may block imports to deal with any unusual and extraordinary threat to the national security, foreign policy, or economy of the United States if he declares a national emergency.

Two, under the anti-dumping laws, the President may impose anti-dumping duties that equal the amount of dumping if injury to the United States industry is shown.

(A) These duties may be imposed retroactively if the administration finds critical circumstances deemed to exist when there have been massive imports over a relatively short period and there is a history or knowledge of dumping and injury.

(B) The President may accelerate the statutory deadlines for determining whether dumping exists so that duties may be imposed sooner.

Three, under the countervailing duty law, the President may impose countervailing duties that equal the amount of any subsidy provided by the foreign government, if injury to the United States industry is shown. As with dumping, these duties may be imposed retroactively and accelerated.

Four, under Section 201, the President may take action, including imposing duties, a tariff rate quota, or quantitative restrictions to respond to a surge of imports that is substantially causing serious injury to the United States industry, and I might add parenthetically that that is exactly what the European Union has done.

Five, under Section 301, the President must take unilateral action if he determines a country is taking action in violation of a trade agreement or is unjustifiable or burdens or restricts U.S. commerce.

Mr. Speaker, the President clearly has the authority to do something to help our steel companies and workers. He should use this authority today. I urge the President, do not ignore this growing erosion of steel jobs in America and the disastrous consequences for the families of the steelworkers. Stand up for the steelworkers and their families

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to commend the gentleman from Ohio (Mr. REGULA) for bringing this to the attention once again of the floor. We tried on two different occasions to do something important in this Congress, near the end of this Congress, to bring to the attention of the administration the need to take some very strong affirmative steps in stopping this dumping of steel on our market.

It is eroding our steel industry. It is hurting our steelworkers. And I am hoping that the Members will heed the message that the gentleman from Ohio is bringing before us and we hope the administration will wake up to this call before it is too late.

Mr. Speaker, I thank the gentleman from Ohio for yielding to me.

Mr. REGULA. Mr. Speaker, reclaiming my time, I thank the gentleman for his comments. He is absolutely right. The tools are there. We need the will to use them. And, obviously, it is not just steel jobs, but there is an enormous ripple effect, because the steel families will purchase goods in the communities they live in, they support the schools, the United Way, it has an enormous impact.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I want to commend the gentleman from Ohio for his leadership on this issue. This is an issue that impacts not just the State of Ohio but the south side of Chicago and the south suburbs of northwestern Indiana which historically has always been a major steel producing area.

It is unfortunate that because of the inaction of the Clinton administration, Acme Steel has declared bankruptcy. Birmingham in my district is shortening their work hours. Belson Scrap and Steel has reduced their payroll by 10 percent. All because we have seen a doubling of Japanese steel imports in the United States, and just in the last year almost a doubling of Korean steel imports in this country.

Steelworkers are losing their jobs. And while steelworkers lose their jobs, the Clinton administration is doing nothing. I believe it is time for action. I think it is time that this Congress make it very clear that we expect the President and the Clinton administration to take leadership to help steelworkers. Otherwise we are going to see more steelworkers lose their jobs because of inaction by the Clinton administration.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut (Ms. DELAURO) is recognized for 5 minutes.

(Ms. DELAURO addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Ms. STABENOW. Mr. Speaker, I ask unanimous consent to claim the time of the gentlewoman from Connecticut (Ms. DELAURO).

The SPEAKER pro tempore (Mr. SESSIONS). Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

CONGRESS SHOULD FOCUS ON EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Michigan (Ms. STABENOW) is recognized for 5 minutes.

Ms. STABENOW. Mr. Speaker, I rise this evening to urge the leadership of the House to focus on education before we leave this Congress.

Mr. Speaker, we have important duties to do in order for us to be able to be partners with our local communities, with parents, community schools with the State governments, to make sure that our children have the resources and the skills that they need when they graduate so that they can be successful in this new world economy.

We know that we need higher standards and lower classroom sizes. And, in fact, we have the opportunity in the next few days to be able to help contribute to making that happen. I am extremely concerned about the efforts now that appear to be moving in exactly the opposite direction from where we should be as it relates to education.

As someone who has worked for a number of years and spent a lot of time in this Congress focusing on technology, I am very concerned that we are not moving ahead to modernize our schools, provide the construction funds, and provide the technology dollars that are needed to prepare our children so that they will be able to have the skills that they need to be successful.

It does not matter if I am talking to the business community in my district or if I am talking to a PTO or if I am talking to a neighborhood organization, always I hear from people that we need to be focused on increasing our skills, our math and science skills, be able to provide the tools to children in the classroom so that in fact they have what they need to be successful. Employers know that. We know that, just as we listen to people in the community. And yet we do not see the actions coming from this Congress that will support those kinds of things happening in the community.

Let us make a commitment this evening that we are going to make a commitment to our children, we are going to make a commitment to parents, to communities, that we are going to do what is necessary to provide resources in partnership with our local schools and with the State governments to make sure that our children have what they need.

We need to make sure that when a young person is in a classroom today, they have access to the technology they need, to the information, to the world that is available now through the Internet and to allow them to be able to truly receive the kinds of skills that they need in smaller classes and with higher standards so that they can be prepared.

Mr. Speaker, I yield to the gentlewoman from New York (Mrs. MCCARTHY).

(Mrs. MCCARTHY of New York asked and was given permission to revise and extend her remarks.)

Mrs. MCCARTHY of New York. Mr. Speaker, in the last 2 years, I have spent an awful lot of time in my schools in my district. After the first month, I decided to do a survey just to look at all my schools that needed help and repair.

I come from a middle-income suburban area, and I have to say that I was totally shocked at what I found. What hurt even more is when the survey came in, all of my schools needed some sort of help as far as repair. They have put it off constantly over the years.

I have one school in Hempstead that to this day, I went back just a week ago to look at it again, because I could not believe my eyes every time I go into there. They have a boiler from 1908. They cannot find anyone to repair it anymore, and yet they do not have the money to do this. They have open classrooms. This school was built way before World War II, and here we have our children in open classrooms. Kids with learning disabilities in the hallways. Children with hearing problems not having the right facilities.

As someone who grew up with learning disabilities, I certainly know how important it is to have a secluded quiet area. Technology has to come into the school. We are nowhere near it.

So what we can do? Certainly, I agree with the President's initiatives to bring our schools up to where they should be today. What concerns me the most is we know we need school construction to give a safe environment for our children. But also more importantly, we need to send a message to our children that we care about them. Also sending a message to our teachers.

Mr. Speaker, going back, I have met so many teachers over the last 2 years. These are teachers that care very much. But when we have the classrooms so large and we have kids coming in in an environment which I consider not safe, not sound, we have to do all we can.

I came to Congress to reduce gun violence in this country, and as soon as I got here, education became my number one issue. If we start working with these young people, have smaller classes, give them hope, give them a good education, we are not going to see drugs in the school, we are not going to see violence in the school. Is that not the goal of all of us here?

I certainly support the initiative that we have to do with the President, and hopefully we will see it pass before we go home.

Mr. Speaker, I believe that if we expand educational opportunities to all Americans, especially young people, we can reduce crime, drug use and gun violence in our society.

I do not believe that education is a partisan issue. But I am very concerned that partisanship in these last days of the session may prevent us from improving the education system. We have a golden opportunity to help young

people reach their fullest potential. And we cannot let it slip away.

Because education is so important to my constituents and to me, I sought and received an assignment on the Education and Workforce Committee when I arrived in Congress. And I spend every Monday and Friday in the schools on Long Island, talking with students, teachers, principals, superintendents, and parents about how we can make the education system work better.

One of the things I hear time and again is the importance of a well-prepared teacher in every classroom. Sadly, some people like to blame teachers for all the problems in education. But that is not the answer. The reason I know this, is because I have seen many great teachers in action.

Last year, our Committee invited a number of young teachers who had graduated two to three years earlier to testify. And they told us, ''We love our jobs. We love to teach. We do our best.'' But they also told us that once they graduated, they weren't ready to deal with all the pressures in the classroom. They said they needed more support, more mentoring.

So last year, I introduced the America's Teacher Preparation Improvement Act. This bill will strengthen the federal government's commitment to teacher preparation. It focuses on three critical areas—recruiting new teachers, making sure they are well-prepared while in school, and then supporting them in their first years on the job. It also encourages colleges to set up partnerships with school districts so that teachers can move from the lecture hall to the classroom.

I am pleased to say that in a bipartisan vote, Congress approve the provisions of my bill as a part of the Higher Education Act reauthorization, and the President signed it into law last week.

But there is more to do. The number of kids enrolled in school is growing, and many current teachers are getting ready to retire. We will need 2 million new teachers in the next decade alone just to handle the load. But fewer people are entering the profession, and grade schools in many parts of the country are facing severe teacher shortages.

Improving how we prepare our teachers won't help students if there aren't new teachers to prepare. That is why it is so important that we approve the President's plan to fund 100,000 new teachers. If we are serious about education, then we must ensure that we have a dedicated corps of new teachers ready to enter the classroom.

Just as our students need well-prepared teachers, they deserve school buildings that are conducive to learning. I have seen firsthand that many schools are overcrowded or in poor condition. When I visited one school in my district, the Washington Rose School in Roosevelt, I was shocked to see kids learning in hallways, surrounded by crumbling roofs and windows. Even worse was its library, which had makeshift shelves, few seats, and poor ventilation.

What kind of message do we send kids about reading when we make them read in a room like that? And what message do we send to teachers when we ask them to educate children in overcrowded, run-down classrooms?

These problems surprised me, because suburban areas like mine are not supposed to have overcrowded and run-down schools. But they do. Last Fall, I conducted a survey of the schools in my District, asking them about the physical condition of their schools. I learned that our schools do need financial support to repair and rebuild their buildings.

That is why the President's initiative to provide tax incentives to fix school buildings is so important. And that is why I support the plan to reduce class sizes in the first through third grades. Again, if we are serious about education, then we should pass these initiatives.

We all know what it will take to improve our education system: Well-prepared teachers. New buildings. Less crowded classrooms. It's time that we show our young people that we are committed to their education, and to their future.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MILLER) is recognized for 5 minutes.

(Mr. MILLER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. WELLER. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Florida (Mr. MILLER).

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

There was no objection.

RECORD OF ACCOMPLISHMENT FOR 105TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. WELLER) is recognized for 5 minutes.

Mr. WELLER. Mr. Speaker, I look back over the last 2 years, and I am pretty proud of the record of accomplishment for this Congress, a record of accomplishment where we accomplished a lot of things that people said we could not do.

I remember when I was elected to Congress as part of that class in 1994 who came to Washington to change how Washington works, to do things that Washington had failed to do for over a generation, things that families back home do every day, like balancing the budget and working to raise take-home pay and working to lower the tax burden on the middle-class and working to change a failed welfare system.

On every one of these initiatives, we were told by certain newspapers in the East and by my friends on the other side of the aisle that we could not do that. We could not balance the budget; that we could not cut taxes for the middle class; that we could not reform our welfare system; that we could not help our schools; that we could not change the tax collector and reform and restructure the IRS.

As I look back now over the last 2 years, I am pretty proud of what we accomplished, because we did all of those things they said we would not be able to do.

We balanced the budget for the first time in 28 years this past year. And the budget is so well balanced now, we are now projected to have over $1.6 trillion in extra tax revenue over the next 10 years.

We cut taxes for the middle-class for the first time in 16 years, and for a traditional family of mom and dad and two kids on the south side of Chicago in the south suburbs, those middle-class tax cuts can mean an extra $10,000 in higher take-home pay over the next few years.

Those are big victories for the middle-class: Balancing the balance and cutting taxes. And we also reformed the welfare system for the first time in a generation, taking an outdated, outmoded welfare system that placed more children in poverty than ever before in history. It was time to make a change, and I am proud that the first real welfare reform in a generation has reduced our Nation's welfare rolls by 20 percent.

□ 1900

People often say, that is pretty good. That is a pretty good record of accomplishment for the Congress in the last 2 years, balancing the budget for the first time in 28 years, cutting middle class taxes for the first time in 16 years, reforming welfare for the first time in a generation. What is next? What is Congress going to do in 1998?

I am proud to say we have also made a lot of progress in 1998. We restructured and tamed the tax collector, shifting the burden of proof from the backs of the taxpayer onto the IRS, giving you the same rights with the IRS that you have in the courtroom. We passed legislation just yesterday and sent it to the President to protect kids from those who would prey on them via the Internet.

I am also proud to say that we continue to make education a priority. In fact, that balanced budget that we produced last year, the first balanced budget in 28 years, made education a priority. In fact, education was one of the big winners in the first balanced budget in 28 years. We increased funding for education by 10 percent, a $5.4 billion funding increase. Now, thanks to this Republican majority in the Congress, we have the lowest student loan interest rates in 17 years. We have doubled Pell grants to twice what they were when I was elected, to help more low income students go on to college. We have made mandates where we have told our local schools we want you to do something. We have actually provided the funding, increased funding for special education, for example, by $500 million.

Those are big victories for education. I am proud of what we have been able to do in the last two and last four years in this Congress. I, too, have visited a lot of schools in the south side of Chicago and the south suburbs. I speak often and listen to the concerns of

local teachers and local school administrators and local school board members and local parents. They say in Illinois only 4 to 6 percent of the money for Illinois schools comes from the Federal Government. So does two-thirds of the paperwork. That is a pretty expensive gift. We will give you a little bit of money but we are going to bury you in paperwork. And they also point out that even though we increased funding last year by 10 percent, a $5.4 billion funding increase for education, only 70 cents on the dollar actually reaches the classroom. They point out, these local school administrators and school board members and local teachers, they say that 30 cents on the dollar, what we appropriate here in Washington, stays in Washington, feeding the bureaucracy.

They have begged and they have asked and they say, if you are going to send more money from Washington, please help make sure it reaches the classroom, please help make sure that it is not lost in the bureaucracy and that we can reduce those costs.

Mr. Speaker, we passed legislation out of this House putting more dollars in the classroom. That means $43 million more a year for Illinois schools. I ask for that type of bipartisan effort.

COMMUNICATION FROM DISTRICT DIRECTOR OF HON. PETER DEFAZIO, MEMBER OF CONGRESS

The SPEAKER pro tempore (Mr. SESSIONS) laid before the House the following communication from Betsy Boyd, District Director of the Hon. PETER DEFAZIO, Member of Congress:

PETER A. DEFAZIO,
U.S. HOUSE OF REPRESENTATIVES,
October 6, 1998.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, Washington DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule L (50) of the Rules of the House of Representatives, that I have been served with a grand jury subpoena ad testificandum issued by the United States District Court for the District of Oregon.

I will make the determinations required by Rule 50 in consultation with the Office of General Counsel.

Sincerely,

BETSY BOYD,
District Director.

CASUALTIES OF THE DO-NOTHING CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, it is day 110 of this Republican-led Congress. We have worked 110 days here in Washington, D.C., and you have got to wonder, why is not the Nation's work done?

The average American has worked 201 days so far this year while Congress has worked only 110, first time in 24 years. We have had funding crises before at appropriations time, but it is the first time in 24 years, since the passage of the Budget Act, that the leaders of the House and the Senate, now both from the same party, have failed to agree on a budget resolution.

Now, the casualties of this do-nothing-to-offend-powerful-special-interests Congress are things that the American people want and need, but they will not be considered nor passed by this Congress. Health maintenance organizations, HMO health insurance reform, millions of Americans in this next year will be denied needed tests, needed referral to specialists and needed treatment, some will probably even die because of this neglect. They have no right of appeal under current law. The insurance industry is exempt, the HMO industry, from liability. And they are exempt from antitrust law, and the Republicans do not want to do anything to rein them in and give patients and providers, the doctors who are gagged and want to talk about this any rights, because there is a lot of campaign cash flowing from those special interests.

Teen smoking is up. We are all alarmed. We just read about it last week. There was legislation proposed in the House and the Senate by the Democrats to reign in teen smoking. Guess what? The campaign contributions of the industry speak louder than the needs of suffering Americans and kids who will become addicted to tobacco.

Social Security, nothing except an attempt to raid the Social Security trust fund which they are now calling a surplus. It is the money that is supposed to pay future retirement benefits, to raid it for tax cuts.

Remember last year's tax cuts were paid for by reducing Medicare reimbursements and raising Medicare premiums, that is how those tax cuts the previous gentleman spoke about, those things that are wonderful for the middle class. Look at the statistics on the first year of the tax cuts. People across America should compare their forms for 1996 and 1997 and see what they got.

If they are a family that earns less than 59,000, the average was $6. If they earned between 59,000 and 112,000, the average was $61. But if they are in that stratospheric 1 half of 1 percent who earn over $600,000 a year, $7,381.

Now, someone rose earlier when I raised this on the other side and said, well the middle class tax cuts will kick in later. Why did not the middle class tax cuts kick in first? Why did the tax cuts for the most wealthy people in the country come first? Because that side of the aisle is servicing them because they are servicing their campaigns.

What about education? The President had an initiative, he proposed it in January, school construction, crumbling schools, crowded classrooms, smaller class size, more teachers. They tell us we have no time and no money to address those needs, no time and no money. Yet they added $4.1 billion to the Department of Defense budget that was not requested by the Pentagon, things that ranged from transport plans in the Speaker's district, retiring other serviceable transports 12 years early so we could build those in the Speaker's district, to a beauty, pharmacokinetics research. The American taxpayers are going to spend 1 quarter of $1 million on pharmacokinetics research, unrequested by the Pentagon in the next year.

What does that mean? It means in a powerful Republican Member's district a company called Stay Alert makes gum that you can chew that has caffeine in it. It is called Stay Alert. And he has ordered the Pentagon to pay that company a quarter of a million dollars to investigate what that might do for our troops.

They did not like gum in the barracks when I was doing my basic training. But I guess he wants to introduce gum into the barracks, or I do not know what the deal is. But why did the American taxpayers have to pay a quarter million dollars?

We do not have money for teachers. We do not have money for smaller class size. We do not have money to do a whole bunch of things around here that benefit average American people, but we have a quarter of a million dollars to spend on pharmacokinetics research for the Stay Alert Gum Company. They chew it, they are going to stay awake. Truckers chew it, they stay awake. You drink coffee, helps you stay awake. Give me the quarter of a million dollars, hell, I will do the study for $10,000.

This is absurd. There is money. It is a matter of priorities. The people have got to choose whose priorities they prefer. The priorities that service the tobacco industry, the insurance industry, military industrial complex, or the priorities that serve the American people.

ON EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. RIGGS) is recognized for 5 minutes.

Mr. RIGGS. Mr. Speaker, I am rising tonight to see if I can perhaps shed a little bit more light than heat on the ongoing debate in this House about education priorities. I think I have some credibility on this subject since for the last 2 years in this Congress I have chaired an education subcommittee. I think I can truthfully say no one has worked longer and harder on Federal education policies and initiatives than me.

I despair that particularly in the waning days of a Congress we talk right by each other. It just becomes another he-said-she-said partisan discussion, particularly when we hear Members talk about class warfare and the politics of envy and get the priorities of government confused.

The first thing I want to stipulate is the Federal Government, using Federal taxpayer funding is responsible for providing a strong collective defense of

our country and that State and local government is responsible for public education, making sure that all of our children have a high quality education that prepares them for a productive, successful adult life.

That said, some of the rhetoric that has been used on this floor in the last few days simply does not withstand scrutiny. I cite for you a case in point. On Saturday, the minority leader of this House, the leader of the House Democrat Party, the gentleman from Missouri (Mr. GEPHARDT) said, we have not spent one day, one minute, one second on our most important challenge, making sure every child is a productive citizen in a global economy.

The very next day the President said, in just the last two days Republicans and Democrats have worked together to pass strong charter school and vocational education measures.

Confused yet. I sure am. Which is it? Or do you insist on having it both ways and perpetuating these disingenuous tactics in a deliberate attempt to mislead the American people, hoping desperately to get some sort of political advantage going into the November election?

It really is bankrupt to kind of use these tactics over and over and over again. In fact, Mr. GEPHARDT made his comments the same day that he voted for the charter school bill. And the President made his comments the very next day at the conclusion of a meeting of Democrats at the White House on budget negotiations, and the gentleman from Missouri (Mr. GEPHARDT) was seated directly next to the President. It is funny. It is laughable that Members of this body, who I think are all honorable professional Members, engage in these kind of tactics.

The fact of the matter is, we have worked long and hard on education, beginning last year with the Federal special education bill, reforming that law called Individuals with Disabilities Education Act, which is the only Federal education mandate imposed on State and local agencies by the Congress. And in that bill for the first time since that legislation became law we inserted a provision saying that once we reach a certain level of Federal funding, State and local governments could reduce the money that they spend, called the local share, that they spend on special education costs. And the net effect of that is that State and local government then has more ability, more flexibility to use their own money to meet a variety of educational needs. And that is as it should be.

State and local governments have the taxing authority for public education. We at the Federal level do not have the taxing authority for public education. There is a clear division between the responsibilities and the role of the Federal Government and that of State and local government.

But we have worked long and hard on education, achievement after achievement over the last 2 years. Just these two bills, vocational education and charter schools, are going to help give our young people more technical training, more career skills to prepare them, particularly those that are not college bound, to prepare them for the job force, the job market, to help prepare them for the job market not just of tomorrow but of the 21st century.

The charter school bill is going to substantially increase Federal taxpayer funding for the start-up of more charter schools. These are public choice schools that are on the cutting edge of education reform and innovation and which I think are the best thing going today in terms of infusing competition and choice and therefore more accountability into the public education system.

These bills, which are about to become law, follow on the heels of the special education law, the two bills that came out of the Subcommittee on Postsecondary Education, Training and Life-Long Learning, the Work Force Investment Partnership Act and the Higher Education Act amendments, which provide the highest amount of Pell grants, the highest level of Pell grant funding and the lowest interest rates for student financial aid in the history of our country.

We have a great record of fighting for our children's future and improving education and America's schools. But our solutions are different than the Democrats. That is true. Because we emphasize local control and accountability, which is in keeping with the longstanding American tradition of local decentralized decisionmaking in public education, more parental involvement in choice, raising teacher competency and teaching accountability.

Despite the Democrats' delaying tactics, our record beats their rhetoric any day of the week.

□ 1915

SUPPORT PRESIDENT'S PROPOSAL ON SCHOOL MODERNIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I simply would like to say to my colleague who recently spoke to this House that I really do not want political advantage. That is not why I came to this body.

Frankly, I came here to be able to answer the call that I think so many have called on us to answer, and that is to assist the American children get the best equalizer they could get; and that is a quality education. I think for anyone to suggest that we are in this battle for political advantage, with all due respect to my esteemed colleague, misses the boat.

I would like to be able to stand up here today and to recount for my colleague a long litany of legislation passed that deals with education in this 105th Congress. Frankly, I can honestly say that this Congress has passed a mere three bills that have actually been signed into law.

I would not want to take away from the excellence of this Congress if I had something more to say. That is why I am here this evening. Frankly, that is why we are here past the time we thought we could be out with our constituents.

There is not a one of us, I hope, that has not spent valuable time with our students in our school districts. Frankly, I would like to be able to tell my colleagues what is going on in the 18th Congressional District in Texas.

I would like not to say that Jefferson Davis High School has no library. I would rather not say that. For the longest time, we have been struggling to get the money so that these young people can go to a library and sit down with books and computers and learn. But we have no library.

But I also want to add that my constituents, people who live in that community, are struggling to do what is right. So we have several bond elections on line, if you will. This legislation that I am fighting for today and that I hope we will stay until we get it included will give tax relief to those constituents across America who are struggling to provide for their schools. They are not providing because they do not want to.

I would like to stand up here and tell my colleagues that I did not have a school roof collapse on an elementary school about a year ago. I would like to not have to say that.

Frankly, I would like to tell my colleagues that all of my schools have auditoriums and cafeterias, but simply they do not. They have one room where they do everything from their programs to their eating to moving people out to starting kids to eat at 10 a.m. in the morning for lunch because they do not have the space and the separate areas where they can eat and then have auditorium, where they can teach large classes of science and then have auditorium, where they have a library and then have a cafeteria.

We are facing this throughout the Nation. I think it disturbs me that we are looking now at legislation that wants to take $17 million from the State of Texas, unlike what we were funded last year.

Modernization is key. I will be going home to support my school bond election. But I will tell my colleagues I want to ensure that we get those taxpayers the kind of relief. If we pass the President's program, let me share with my colleagues how it will work.

School district A needs funds to construct additional schools to educate its rapidly growing enrollment. Notice I did not say urban school centers, I did not say suburban, I did not say rural because there is need in every one of those. That is one of the reasons why I am supporting the President's proposal, because it goes on the basis of

need. It does not distinguish or discriminate. It says simply said what school district actually needs.

If our proposal goes into effect in this omnibus bill, the State would allocate bond authority to school district A. When this community passes a bond initiative, which mine is doing right now, it would then enter into an agreement with the financial company to sell the bonds to bond holders in order to raise funds to build schools in the community. We voted on this.

The school district would use these funds to plan, design, and build additional schools, whatever district we are in. The community would repay the principal on the bonds to the bond holders, but it would not have to pay the interest on the school modernization bonds, an enormous savings for the taxpayers, taxpayer relief.

The bond holders would receive a tax credit equivalent to the amount of interest it would ordinarily have received on the loan. I do not know about my colleagues, but everyone that I speak to this about in my district views this as a positive collaboration, not a takeover of the school districts.

We are not here to suggest that whether it is the Department of Education or whether it is this Congress that we take over the local initiative, but we collaborate.

Mr. Speaker, I think that we know full well what we need to do. We need to vote for a proposal that supports the hundred thousand teachers in the classroom to bring down class size. Mr. Speaker, we frankly need to support the program by the President on school modernization.

DO NOT FORGET AGRICULTURE OR OIL BEFORE WE GO HOME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

Mr. MORAN of Kansas. Mr. Speaker, last night, I rose on a similar occasion to plead that, before we go home at this late hour, that we not forget our agricultural sector in this country, that we have many problems due to disease, due to weather, and most importantly due to the low price that we face in all commodities in the agriculture sector.

I am glad to learn, throughout the day, as we tried to negotiate agreements, not only with the Senate but also with the White House, that progress seems to be being made in the issue that we care about when it comes to preserving our family farms and protecting our farmers and ranchers across America.

Clearly we have lots of problems when we see the price of wheat, cattle, and corn, what they are today, what they have been in the past, and recognize that this Congress should not adjourn. The final gavel should not hit the table before we make certain that those issues are addressed.

Again, I ask just briefly tonight that our conferees and our negotiators with the White House continue to pursue tax assistance, reductions in taxes as they affect the family farmer, disaster relief due to the problems we face in price as well as natural disaster; that we clearly do something about the issues of embargoes and sanctions placed against many countries around the world.

Our inability to export agricultural products around the world has a dramatic impact upon the income of the farmers and ranchers across this country. This House has passed relief as regard to sanctions and embargoes, and I hope that the Senate and certainly our negotiators will insist that those provisions remain in the version of the final omnibus bill that I hope we pass before we go home.

Clearly, the farmers of Kansas, the ranchers of Kansas understand that trade is important, that exports matter, and our inability to export to all countries at a time when we have told agriculture to go out and farm the markets is an important factor in their ability to succeed in doing that.

Tonight, having really addressed the issue of agriculture last night and to again plead that it not be forgotten in these last hours, I also wish to point out the difficulties we face in the domestic oil industry.

We have significant production of oil in this country and particularly in my home district in Kansas. Forty million barrels annually is produced in our State, representing about 15,000 jobs, very important jobs to the economy.

Again, when agricultural prices are what they are, usually something is good in Kansas. But wheat, cattle, and corn are all low. On top of that, the price of oil is the same. It is low, and there is little hope for the future.

As that happens in Kansas, our small producers, those wells that produce less than 10 barrels a day, are being shut down and abandoned. When we lose them, we lose our ability to have production in the future. We became more reliant upon foreign sources of oil.

So, again, as I asked last night with regards to agriculture, I ask that our negotiators continue to pursue relief for a beleaguered oil and gas industry in this country, particularly for the small producer and for those producers that produce marginal wells whose costs of production are very high to maintain.

I said on the House floor not too many months ago that it is disturbing when we learn how much money we spend trying to protect foreign supplies of oil but virtually nothing to protect a domestic oil and gas industry, a fact that we will pay a huge price for, I am afraid, someday.

So tonight let me remind our negotiators that we have a marginal tax well credit that matters, that it would allow a tax credit for our producers who have lost money year after year to go back and receive a tax credit for the years in which they actually had an income.

Several months ago, we were successful in defeating the effort by the Department of Energy on a crazy idea to actually sell oil out of the strategic petroleum reserve at a time when prices were so low we bought oil at a high price and we were willing to sell it at a low price and dump more oil on the domestic market.

Tonight I hope we do not forget about the provision that is included in the Senate bill that allows for the purchase of oil at a low price for the strategic petroleum reserve which can be a security matter for us as well as a benefit to the very depressed domestic oil and gas industry.

This matters to the communities and to the families across Kansas and across the country. It is important that we do not forget what the domestic oil and gas industry represents. Again, before we adjourn and go home to our constituents, something I desperately want to do is to return to Kansas and to my family, but let us make sure that the oil and gas industry as well as agriculture is not forgotten.

MENTAL ILLNESS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I rise tonight to bring recognition to the important topic of mental illness. In fact, during this month of October, our Nation is disposed to do our best to raise awareness about the tragic lack of proper care for those among us who are suffering daily from the most severe mental illnesses.

More than 5 million of our fellow citizens suffer from these debilitating, severe mental illnesses. Unfortunately, far too many people are not receiving the proper diagnosis, treatment, or strong community care they need to lead quality and stable lives in our country.

The current practice of psychiatric care in our country has spawned growing homelessness, neglect, as well as violence since deinstitutionalization of patients occurred over two decades ago with no community follow-up.

I am working with several women members, the gentlewoman from New Jersey (Mrs. ROUKEMA), the gentlewoman from California (Mrs. CAPPS) of California, such a leader in this effort, who is here with us this evening, and the gentlewoman from Connecticut (Mrs. JOHNSON).

All of us are trying very hard to establish a House working group on serious mental illness. This House working group would be responsible for examining the State of our mental health system, especially those who are not being adequately treated with resulting neglect and even violence.

We had an example of that here in our own Capitol with the tragic slaying of two of our officers, Gibson and Chestnut, less than 2 months ago.

This group would hold hearings and gather testimony about what America can do. This week, we are also introducing a sense of Congress resolution regarding the seriousness of mental illness and the need for Congress to establish this working group.

We intend to reintroduce this resolution in the next Congress and ask the Women's Caucus of this House to help us spearhead our efforts.

I urge all Members to support the establishment of this House working group on mental illness as well as our sense of Congress resolution.

Mr. Speaker, I am more than pleased to yield to the gentlewoman from California (Mrs. CAPPS), our very capable and caring colleague.

Mrs. CAPPS. Mr. Speaker, I thank my colleague, the gentlewoman from Ohio (Ms. KAPTUR), for yielding to me.

As she mentioned, just 2 months ago, this Nation and this Congress were stunned by the tragic shootings of Officers Chestnut and Gibson. We still grieve their deaths today.

Out of that tragedy, an opportunity has presented itself to us to finally acknowledge the sad realities of mental illness, which for so long have been swept under the national rug.

Health professionals agree that chronic conditions such as schizophrenia are best addressed through community-based treatment. Such programs provide outreach to people who are in danger of falling through the cracks of our mental health system.

Last week, I was able to attend a briefing by the National Alliance for the Mentally Ill, and I heard about a program of asserting community treatment called PACT.

PACT involves individualized services, psychiatric, social, nursing, and vocation rehabilitation. It has been tremendously successful for those who have not responded to traditional methods of treatment. But only six States offer PACT statewide. This is simply not enough. These are wonderful, proven programs just waiting to be replicated.

It is time for our whole country to face the challenges of mental illness, including treatment, housing, and employment. We must educate ourselves and take the steps to respond. Out of tragedy can come hope. I am pleased to be working with my colleagues, the gentlewoman from Ohio (Ms. KAPTUR) and others to bring this to our attention and to work on it.

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Ms. KAPTUR. Mr. Speaker, I want to thank the gentlewoman from California (Mrs. CAPPS) for taking time to join us this evening and also to say if we could put some of the partisanship aside, and we intend to do that in this working group, we can do so much for America.

It seems to me that too much effort is wasted here in Washington in trying to find out why we are different from one another rather than what we can do to work together on important issues like this that affect millions and millions and millions of our fellow citizens.

I would also note that the energy for this comes largely from the women in this body. It would be so easy for the leadership of this institution to make this happen with merely a snap of the fingers and yet it has not. That says a lot about this institution, but it also says a lot about the women here who on a bipartisan basis are trying to do what is right for this country.

We know that with persistence and with goodwill and with bipartisanship, we can achieve real, lasting changes for the better for people in our country who suffer every day under these extremely difficult diseases; their families, their communities. We know, we understand what needs to be done.

I also want to acknowledge the leadership in past years, First Lady Rosalyn Carter who came to this Congress and testified when it was not so popular to do so over 20 years ago, and also Tipper Gore, the wife of the vice president, who has also been supportive of our efforts.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. TIAHRT) is recognized for 5 minutes.

(Mr. TIAHRT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. THUNE. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Kansas (Mr. TIAHRT).

The SPEAKER pro tempore (Mr. SESSIONS). Is there objection to the request of the gentleman from South Dakota?

There was no objection.

THE DO-NOTHING LIBERAL CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, this evening I would like to associate myself with the remarks of my friend and colleague, the gentleman from Kansas (Mr. MORAN) earlier about the crisis that we are facing in agriculture. It would certainly be my hope as well that as we conclude the waning days of this Congressional session that we will be able to fashion a disaster relief package that will bring some much needed relief and immediate assistance to those who are trying to make a living by producing food and fiber in this country.

I would certainly hope that we can reach an agreement on that, on a number of issues that are still outstanding. Before we go home, we have to act, we have to act now.

Mr. Speaker, I would also like to answer this evening some of the accusations, the partisan accusations that have been filling this chamber from our friends on the other side. There is the accusation that somehow since we have not moved their liberal agenda, that we are a do-nothing Congress. I suppose by their definition, that is true.

We have not raised taxes. I know that drives them crazy. We have not created new programs or built new Federal bureaucracies here in Washington. In other words, we have not done anything liberal. We are a do-nothing liberal Congress.

Now, that probably should not come as any surprise to the American people who elected a conservative Congress because they have grown weary of having their pockets picked for a liberal agenda that flatly was not working.

The American people need to ignore a lot of the partisan rhetoric that is filling this chamber and coming from our friends on the left. It is more smoke, it is more mirrors, and it is an effort on their part to distract attention from the significant and historic accomplishments of this 105th Congress.

I would like to just note a couple of those, if I might, this evening. The first is the balanced budget agreement. For the first time since 1969, for the first time since I was 8 years old, we actually are operating this Federal Government in the black. I think that is a historic accomplishment. We did it at the same time that we lowered taxes on working families, on farmers and ranchers and small businesses in this country for the first time since 1981.

We made reforms that saved Medicare for another generation, reformed the IRS to make it more user friendly and responsive to the taxpayers of this country.

Let us talk about the surplus. In 1994 it was projected, as far as the eye could see, $3 trillion in deficits way out into the future. Just last July, the Congressional Budget Office revised that estimate. It is now projecting a $1.6 trillion surplus for the next 10 years.

How did that happen? Well, maybe part of it is because there are 3.3 million more Americans working today as a result of welfare reform. That was something that our liberal friends did not want to see happen.

Maybe it is really hard for them to acknowledge that when we cut taxes last year, it is actually generating more revenue for the government. We are seeing more realizations. People actually are paying more in taxes as a result of having cut taxes last year, and it has gotten us to a point where we have to make a decision about how to use a $1.6 trillion surplus.

There are a lot of us on our side who want to make sure that that money

gets back home to the folks in our home communities before it stays here in Washington, because if it stays here very long it is going to get spent. We are committed to seeing that it goes back to the people of this country.

We have also accomplished with the Higher Education Reauthorization Act the lowest student loan rate in 17 years. We have increased to historically high levels the Pell grant to make college more affordable.

Let us talk about secondary education. We have increased, by the President's request, on special ed, funding by about half a billion dollars. Think of all the schools that could be rebuilt in this country if we would fully fund special ed and free up those dollars that they can use for school construction.

How about dollars to the classroom? We passed that because we believe that we ought to get more dollars back to the classroom, back to our children, back to our teachers. Maybe we could afford to pay our teachers higher salaries. Maybe we could invest in technology and buy more computers, get those dollars back to the classroom and out of the Washington bureaucracy.

That is a fundamental difference. It is an honest difference with our friends on the left, but when they talk about the things that have not been done here I think the American people need to know about the things that have been done; things that are historic, things that are changing the way that this city operates.

There are a lot of challenges ahead of us. As we look down the road, we want to continue on the path. We have to win the war on drugs to make sure that our schools are safe and drug free, and that our children's minds and ambitions are not ruined by the scourge of illegal drugs.

We need to continue to improve our schools by getting more of that Federal money back home, back into the classroom, and seeing that those dollars are spent in the way that the local communities determine.

We need to save Social Security. We have made a commitment to spend 90 percent of the surplus, any surplus projected, to save Social Security not only for those who are receiving benefits today but for those who are paying in and expecting benefits in the future.

We are going to continue our fight to make government smaller and more efficient and improve the take-home pay of every working American.

These are honest differences that we have with our friends on the left, and they can get up and they can rant and rave about a do-nothing Congress but I want the American people to know, this may be a do-nothing liberal Congress but this is a Congress which has done a lot for the future of the American people.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BECERRA) is recognized for 5 minutes.

(Mr. BECERRA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Ms. CARSON. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from California (Mr. BECERRA).

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

There was no objection.

LIBERTY AND LEARNING, EACH LEANING ON THE OTHER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

Ms. CARSON. Mr. Speaker, long ago, James Madison spoke of one of our most fundamental American propositions. That was liberty and learning, each leaning on the other. We cannot have a healthy democracy or any democracy without quality public education.

It is our job to show that education can rely on democracy. Let us put 100,000 new teachers in our classrooms.

This Congress has been one of the least productive in recent memory. While urgent, unmet needs confront American families in areas like education and health care, this Congress just dithers with inconsequential suspension bills and ideological dead letters like tax cuts that drain away the budget surplus.

In the State that I represent, Indiana, Indianapolis specifically, 29 percent of public schools are in serious need of repairs and 67 percent have outdated or inadequate facilities.

Back in January this year, Congressional Democrats and the administration laid out an extensive agenda to improve the quality of public education in this country. The Republicans spent the entire year blocking that agenda, preferring instead to focus on scandals that divert public attention. Now we are asking that as a bare minimum Congress begin providing funds to hire new teachers and to fix up our crumbling schools. By hiring new teachers, we will be able to reduce class sizes.

Research in Indiana and the State of Tennessee shows that reducing class size to 15 students in the early grades improves student achievements, particularly among low income and minority students in urban areas.

Public school enrollment in Indiana is expected to grow by almost 6 percent in the next decade. We desperately need more teachers to handle this growth. When I look at the overcrowding in the Indianapolis public school system, I can say the students there sure could use more teachers.

The need is overwhelming but this Congress has turned a blind eye to that need. Only now, confronted with extraordinary demand by the voters for better education, are the Republicans grudgingly coming forward to agree to more school funding. Even now, though, they are dragging their feet. Rather than funding new teachers, the Republican leaders want to spend the money on other things like school administration.

Mr. Speaker, we need teachers, not administrators; classrooms, not office complexes. Even worse, they tried to revive their anti-public school agenda. They want to use the District of Columbia as a guinea pig for experimenting with school vouchers. The D.C. public schools already are in distress but the Republicans want to drain away their funding and put it into private schools.

The proposition about dollars for classrooms was indeed another cruel hoax. My State of Indiana, under that proposal, stood to lose $8.3 million in the process of a so-called block grant back to the State of Indiana.

Instead of spending our taxpayers' money on private schools, we must invest it wisely in public schools, where the vast majority of our children get their education.

Mr. Speaker, it is time for this Congress to get back to the business of helping to secure greater success for American families.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. GOSS) is recognized for 5 minutes.

(Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. PETERSON of Pennsylvania. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Florida (Mr. GOSS).

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

There was no objection.

WILL THE PRESIDENT'S EDUCATION PROGRAMS IMPROVE EDUCATION OR IS IT AN ELECTION YEAR PROPOSAL?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 5 minutes.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I rise to ask a question: Will the President's education programs improve education or is it an election year proposal?

Last night I shared my thoughts on school construction. I will review them quickly. The school construction program, as proposed by the President, takes half of the money and designates it to 100 urban poor districts, but does

nothing to designate to rural poor districts.

I found out today that the 100 urban poor districts can even go back for more money. They are not prohibited from getting two bites at the apple.

Let us say they do not. So we fund 200 or 300 school construction projects across America. That leaves 15,300 school districts with no help. That is not fair.

Now we have a proposal for what I call temporary teachers. Several years ago, we had a proposal for temporary cops. We funded 100,000 cops, and although I never really read whether we ever had 100,000 cops and there was a lot of discussion whether we ever met that goal, then when they hired them, we pulled the money back and stuck them with the bill.

That is the way this proposal is. It is not ongoing funding for teachers. It is temporary funding for teachers, and when they hire them, in a couple short years the money is pulled back and they have to pay the bill.

Is this fair, that the Federal Government entices spending at the local level and then pulls the money back? Who will get the money? Will it be another complicated, convoluted grant program? You bet it will. It will take consultants. They will make lots of money; grantsmen, they will make lots of money, but we will only have temporary teachers and we will only have construction in a few urban districts.

If the Federal Government wants to help basic education, we should send money in a fair and evenhanded way that treats urban, suburban and rural on an equal basis, because there is poor all the way up and down the ladder in size.

How do we do that? It is pretty simple. Forty years ago, this Congress, some Congress, passed special education and they said that all of the excess costs for this program, 40 percent of it will be paid for by the Federal Government. When we took over Congress in 1994, Congress was providing 6 percent instead of 40 percent.

□ 1945

That is a huge shortfall. Now with this year's proposed budget, where we increased it half a billion this year and half a billion last year, we will be up to 12 percent. But that is not 40 percent. If we fully funded special education, the Los Angeles school district would get $60 million of additional money, the St. Louis school district would get $25 million of additional money, the York school district, a small rural district in Pennsylvania, would get $1 million.

But we are $10 billion short. Instead of paying the bill we promised, instead of funding the program that we started, we want to do new ones, because it is an election year. We want to send some money in some new convoluted way that will only reach a few of our school districts. We can more adequately fund vocational education, where we only spend $1 billion and we are passing laws to allow more immigrants to take the technology jobs which come from vocational education. Or we could get some Democrat support for Dollars to the Classroom, that only does away with state and Federal bureaucrats and puts the money in the schools, $800 million, no new taxes. We could expand loan forgiveness programs that help put teachers where they are most needed.

We do not need new programs. We need to fund the ones that work, that do not cause more Federal bureaucrats, that you do not need grantsmen to apply for, that you do not need some complicated, convoluted process where the money can be funneled into the President's friends.

There are 15,600 school districts across America. They need a fair and evenhanded treatment. The President's proposal will reward his urban political friends and leave rural America with no school construction, with no new teachers, with no help, and not even a promise. That is not fair.

Tonight, I ask us to support funding education in an evenhanded, fair way, that funds education all across America, not just to the President's friends.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

(Mr. HINCHEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Ms. CLAYTON. Mr. Speaker, I ask unanimous consent to take the time previously allotted to the gentleman from New York (Mr. HINCHEY).

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from North Carolina?

There was no objection.

UNFINISHED BUSINESS REGARDING AGRICULTURE AND EDUCATION MUST BE DEALT WITH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, before the 105th Congress adjourns, we must be certain we conclude all of the unfinished business before this Congress, especially in the area of agriculture and in education.

Looking at agriculture, it is a travesty that the appropriations process has zeroed out the $60 million for funds for rural America which provides important capital for rural economic development. This funding should be reinstated. It is important to recognize that the long-term economic health of rural America depends on a broad and diverse economic base which requires investment in agriculture, rural businesses, infrastructure, housing stock and community facilities.

The availability of credit is a crucial factor in the success or failure of all small farmers, especially family farmers; both and large and small, I must say, also suffer from the failure of having availability of credit.

In the 1996 farm bill, those persons who, for whatever reason, had to renegotiate their credit, whether one time or two times, were denied the opportunity to get another direct loan or another guaranteed loan. That was regardless of whether it was from disaster or whether it was from having to refinance a loan because they had an overpriced or poor crop, and also if it was because they had civil rights actions, they are being denied, even after the government discriminated against them and found they did. The 1996 farm bill says that regardless of whatever the cause, that farmer cannot get a farm loan.

Now, the USDA farm program was to be the lender of last resort, and producers who have depended on that commitment from the United States Department of Agriculture now find they can neither have a guaranteed loan nor a direct loan.

There is still an opportunity, I understand, before we adjourn to adopt the Senate language which will allow that debt forgiveness and to exclude the opportunity for consolidation or rescheduling or reamortization or referrals of the loan as being bars or barriers from them getting a second loan. We hope the negotiators will take that opportunity.

In addition in the 105th Congress also the appropriators have language in there that will allow for the statute of limitations not to be a barrier to the black farmers who have had complaints against the United States Department of Agriculture, even after the department has acknowledged that they indeed did discriminate.

Now, turning to education, I am from a rural area, and I would want to tell the last speaker that I find that the President's bill calling for 100,000 teachers and reducing the size of classrooms would be beneficial to North Carolina and to my district where I come from. We come from a district that is looking for the opportunity of expanding and recruiting more teachers, and it would certainly be beneficial to reduce the class size, because even in North Carolina, we have found when you reduce the class size, students do better. They achieve better. There indeed is equal opportunity of showing that teachers teach better when they have smaller classes.

As far as the construction loans, my state recently passed bond construction for new schools so the monies that would come from the Federal Government would be a supplement. It would certainly go a long ways toward enhancing the opportunity to make sure we remove the dilapidated buildings and schools.

Again, studies have shown that students, I would say rural students, minority students and disadvantaged students, certainly learn better when they have more teachers, more time, and they certainly learn better as other students learn well when they have a good environment.

Mr. Speaker, the education bill being proposed by the President is not only good for urban areas and suburban areas, but also very good for rural areas. Rural North Carolina and the children in North Carolina would benefit from that.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

(Mr. PAUL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. PITTS. Mr. Speaker, I ask unanimous consent to take the time previously allotted to the gentleman from Texas (Mr. PAUL).

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

There was no objection.

CHINESE HOUSE CHURCH APPEAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PITTS) is recognized for 5 minutes.

Mr. PITTS. Mr. Speaker, I want to put domestic concerns and partisan concerns aside and speak for five minutes on behalf of the fundamental human right of religious liberty in the House Churches in China.

Recently a number of House Church leaders in China wrote a very respectful appeal to the government of the People's Republic of China. The appeal says nothing against the Chinese Government, but reflects the utmost respect. These House Church leaders respectfully request that their government release those Christians imprisoned in labor reform camps and to stop attacks on the church. In addition, the authors request that the PRC begin a dialogue with the House Church leaders in order to deepen mutual understanding and to reduce confrontation between the two parties.

Mr. Speaker, the House Church leaders who drafted this document and who sent it to Beijing have taken a very bold and possibly dangerous step in hoping for recognition from their government. I encourage the Chinese Government to take steps to increase religious liberty for the Chinese people, to use caution in these matters, and to deal justly with issues of religious freedom. It is vital that Americans support these courageous House Church leaders and members as they appeal to the Chinese Government for protection of their religious freedom.

I would like to read the House Church appeal which has seven points to it for the CONGRESSIONAL RECORD. It is entitled ''a united appeal by the various branches of the Chinese House Church.''

One: We call on the government to admit to God's great power and to seriously study today's new trends in the development of Christianity. The government should realize if it were not for the work of God, why would so many churches and Christians be raised up in China? Therefore, the judicial system in the People's Congress and the United Front System should readjust their policies and regulations on religion lest they violate God's will to their own detriment.

Two: We call on the legal authorities to release unconditionally all House Church Christians presently serving in Labor Reform Camps. These include Presbyterians who believe that if one is saved once he or she is saved always; Charismatic Church; Local Church, incorrectly called Shouters Sect; the Way of Life Church, also called the Full Scope Church; the Pentecostal Church; Lutherans who do not attend the Three-Self Churches; and the Baptist Church. They should be released from prison if they are orthodox Christians, as recognized by Christian churches internationally, and have been imprisoned for the sake of the gospel.

Three: There are approximately 10 million believers in the Three-Self Church but 80 million believers in the House Church. The House Church represents the mainstream Christianity in China. Therefore, the government should face reality as it is. If Taiwan with its population of 22 million cannot represent China, but the mainland can with its population of 1.2 billion, likewise the Three-Self Church cannot represent the Chinese Christian Church. The Three-Self Church is only a branch. Moreover, in many spiritual matters there is serious deviation in the Three-Self Church. The government should clearly understand this.

Four: We call on the central leadership of the Chinese Communist Party to begin a dialogue with representatives of the House Church in order to achieve better mutual understanding, to seek reconciliation, to reduce confrontation, and to engage in positive interaction.

Five: We call on the government to spell out the definition of a ''cult.'' The definition should be according to internationally recognized standards and not according to whether or not people join the Three-Self.

Six: We call on the legal authorities to end their attack on the Chinese House Church. History has proven that attacks on Christians who fervently preach the Gospel only bring harm to China and its government. Therefore, the legal system should end its practice of arresting and imprisoning House Church preachers and believers, confining them in labor camps, or imposing fines as a punishment.

Seven: The Chinese House Church is the channel through which God's blessing comes to China. The persecution of God's children has blocked this channel of blessing. Support of the House Church will certainly bring God's blessing.

We hope the government will have a positive response though this united appeal by the House Church.

The Holy Spirit has awakened our hearts. May God bless China. Signed Henan Province. August 22, 1998.

This letter was signed by seven key House Church leaders.

Mr. Speaker, I would also like to add that with the definition of cults which some of the authorities in China appear to have adopted, most of the churches in America would be classified as cults, because under that policy, they could not talk about such things as the end of the world, the second coming of Christ, abortion or spiritual warfare.

I would appeal to the government authorities in China to deal with believers prudently and cautiously, to treat them with dignity and respect. I would remind them it is those countries that recognize the importance of religious liberty and treat it as a fundamental human right which are the most stable societies in the world.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Ms. SANCHEZ. Mr. Speaker, I ask unanimous consent to take the time previously allotted to the gentlewoman from California (Ms. WOOLSEY).

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

THE NEED FOR FURTHER EDUCATION REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. SANCHEZ) is recognized for 5 minutes.

Ms. SANCHEZ. Mr. Speaker, I rise today to talk a little bit about school construction, since many of my colleagues are doing that tonight, and I would like to say that I think I have the most experience in this House with respect to school construction.

How many of my colleagues can say that they have constructed six classrooms for the Solvang Elementary School District and redid the bathrooms for the little girls and little boys in that school? Or how many of my colleagues can say they found the money to build a $64 million state-of-the-art tech high school in Antioch, California. Or how many of you can say that you have issued COPs or gone before Standard & Poors or Moody's to get ratings for any of these school districts? Well, I can say that. I can actually say that I have helped build probably over 30 schools in the State of California. Therefore, I think I understand pretty well what happens with the financing equation of school construction.

Let me tell you that the relationship in the State of California, my state, is that of local and state for school construction. In fact, what used to happen was initially, in the beginning, local

schools would be built with local taxes from local areas, and then when the local schools were not able to do that, it became a state issue, and in fact the state was working on that.

Of course, now we have the problem that the state and local municipalities are not able to build the schools fast enough in California, and, yes, it has become a Federal issue.

In fact, the President's proposal that we have before us that he brought to us in January, I am very well aware of, because I have sat with him and discussed the bill that I introduced in this House, H.R. 2695, and many of those initiatives are in his proposal.

Now, many of my colleagues on the other side have said tonight, what? We are not in the school construction business. Well, let me tell you, in particular to the gentleman from California (Mr. RIGGS), who spoke earlier about national security and our defense, it is of utmost national security that our children be educated.

□ 2000

Because of that, the Federal Government must become involved when there is a gap and when we need to fix a problem.

Secondly, we are in the school construction business. In fact, last year, in the Tax Relief Act that was signed in August by President Clinton we had the CZAB bonds, the academy bonds that we now use to renovate schools. So we are in the school construction business.

Secondly, I have heard some of my colleagues say this is a local issue, LORETTA. This should not be done. I am reading here in Congress Daily from yesterday, ''House Majority Leader ARMEY says, prohibit the President's school construction initiative, because we want the decision to be made at the local level.''

The President's initiative does make that a local level issue. Why? Because the local school district needs to stand up and say, we need to build a school; because local taxpayers need to stand up and say, yes, we will tax ourselves in order to build a new school. What happens with this initiative is that we help them to stand up and take responsibility.

Third, people say that this is an administrative nightmare. Let me tell the Members, it is not an administrative nightmare. In fact, I had five superintendents come in from California just about a month ago, talking to me, of course, about school construction, because they know I understand that language. In fact, they came in and they talked about all the initiatives and all the projects that they are getting done under the CZAB bonds.

Let me tell the Members, one said, LORETTA, CZAB is already there. It is on the tax forms. We give the tax incentive there on the form. Secondly, they said, the approval has been so simple. As long as we meet the requirements, we send in one piece of paper to the Board of Education and we send one piece of paper to the Education Department out here, and we get it approved. They have been working on it.

Fourth, someone said earlier that only the President's friends will get these bonds. That is not true. Of the seven initiatives that are already bond issues going on with the CZAB program in California, let me tell the Members, San Diego Unified School District, building John Adams Elementary School, reconstructing it, that is in the district of the gentleman from California (Mr. BILBRAY). He is a Republican. Glendale Unified School District, Hoover High School. That is in the District of the gentleman from California (Mr. ROGAN). Clovis Unified School District, the district of the gentleman from Fresno, California (Mr. RADANOVICH).

This is for those places where we need to build more schools. I hope the people will really take a look at the President's initiative.

CALLING FOR FULL FUNDING OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT

The SPEAKER pro tempore (Mr. HILL). Under a previous order of the House, the gentleman from New Hampshire (Mr. BASS) is recognized for 5 minutes.

Mr. BASS. Mr. Speaker, it is my understanding that the budget negotiators have come to an agreement over the overall funding levels for education, education programs, but they have not yet resolved how that money will be allocated.

I rise here tonight in the 5 minutes allocated to me to urge negotiators, both Republicans and Democrats, to use this as an opportunity to put money into special education, to fully fund or to move toward fully funding the Individuals with Disabilities Education Act.

As the previous speaker mentioned a couple of minutes ago, this is a Federal mandate that was established in the early seventies. Originally and today, we are required to fund up to 40 percent of the costs of special education.

When I entered this body in 1995, the level of funding was 6 percent, and now it is a little less than 12 percent. This is a tragedy. It is a tragedy because it hits every single school district and school in the United States. It is a tragedy because it hurts families that have children with disabilities and have to live in communities where the cost of this education, which is perfectly legitimate and necessary, is borne for the most part by friends and neighbors.

Mr. Speaker, the folks who are negotiating tonight need to look seriously at allocating every single one of these dollars to fully fund our obligation to fund special education. Doing so would go a long way toward easing the financial burden that we feel in every community across the country.

Fully funding or using these extra dollars to fund special education would spread the education dollars more equitably across this country. It would give the local school districts and school administrators and parents the right to prioritize spending, not have the folks here in Washington decide who gets these extra Federal dollars.

I represent a rural district, and I hasten to say that it is quite likely under the President's plan that my district will receive little or nothing. But if we were to fulfill this unfunded Federal mandate, every town in my district would get an extra dollar or two to help defray the cost of education.

Mr. Speaker, this is a compromise that can be supported by Republicans and Democrats, by liberals and conservatives, by anybody that has a commitment to fulfilling an obligation that this Congress made over 25 years ago.

Indeed, the true winners in this battle for more education funding will not only be the teachers, will not only be those who believe that we should have better classrooms and more modern schools, but it will also be school administrators, school boards, parents, property taxpayers, and most importantly, the children of this country.

I urge the negotiators in this budget deal that is going to be coming before us tomorrow to look at the issue of special education before we establish new Federal programs, before we establish new Federal bureaucracies, before we decide in Washington what the educational spending priorities should be in school districts around the country.

Let us meet the unfunded obligation of special education. Let us start tomorrow by putting these extra funds into IDEA.

PUT THE DOLLARS IN THE CLASSROOM, NOT BLOCK GRANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, as the previous speaker indicated, I, too, am advised that the budget negotiators have come to an agreement as to the overall additional funds that are to go into education. I commend them for the initiative that they have expressed in allocating these additional dollars.

I rise here tonight because I am somewhat concerned that in agreeing to the overall dollar allocations to education, and seemingly in agreeing to the 100,000 new teachers that will be placed into our school systems across the country, that in fact what they are talking about is putting these monies into what is known as title VI.

Title VI is a block grant provision that exists in current law, so if we put this extra money presumably for 100,000 new teachers into a block grant provision, there is absolutely no assurance whatsoever that the monies will be utilized for the hiring of additional teachers.

The primary objective that the President and those of us who served on the Committee on Education and the Workforce and who have headed up the task force for the Democrats on this side, the gentleman from North Carolina (Mr. ETHERIDGE), who will be speaking very shortly, the gentleman from Indiana (Mr. ROEMER), the three of us have served as task force co-chairs. We were primarily concerned about the needs of our school districts. We want to make sure that the funds that are allocated go directly to the schools.

The irony is that we have had legislation come before this body called Dollars to the Classroom, because there is an intended assumption by the Republican majority that monies ought to go directly to the classroom.

If that is their policy and their thinking, why do they not earmark the monies that are being allocated for the 100,000 new teachers directly for that purpose? Instead, they are putting it into Title VI, which has, by inference and by some specific language, a flow-through to the States, where the States are permitted to retain 15 percent of the funding for administrative purposes. And there is a long list of ways in which the monies that flow into Title VI can be spent, not one of them specifically having to do with hiring teachers and lowering classroom size.

If one is not convinced that the public schools in our country are in need of additional schoolteachers and construction funds to replenish and rebuild their schools, I suggest that the Members look through the mail that they have been receiving this week.

There is one particular one, in a whole batch of things on education, from the American Association of University Women. They point out an alarming statistic which I think has probably floated around many times before, but has not quite been absorbed.

What they say in the second paragraph of their letter is that by the year 2006, enrollment in our public schools is expected to reach 54.6 million, surpassing the number of students in the baby boom years, where the number reached 51.7 million.

We have all talked about this terrible thing about the baby boom crisis and how that is going to impinge upon social security, and we are working to try to meet the crisis that this very large population that came on board in the fifties makes. No one is paying attention to the fact that we have right now in our system an impending burgeoning number of students.

So if we do not meet this challenge right now by providing the incentive for school construction and the hiring of teachers, we are never going to solve the problem of a classroom ratio that can meet the needs of independent special treatment for the students who need that kind of instruction.

The whole fallacy that has been presented by the majority in debating Dollars to the Classroom has to be pointed out. They talk about directing 95 percent of the funding to the classroom. Yet, in the proposals that are floating around for the utilization of the additional monies in education, they are putting it into a block grant provision, Title VI, which has a 15 percent reservation to the States. So the classrooms across the country, if they get any for teachers, will be only at 85 percent, way below what the majority has been talking about.

So it seems to me we ought to get beyond the rhetoric, follow the policy, put the dollars in the classroom, and enhance the teachers by giving their school districts the additional monies for the 100,000 teachers.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PAXON) is recognized for 5 minutes.

(Mr. PAXON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. BARTON of Texas. Mr. Speaker, I ask unanimous consent to take the special order time of the gentleman from New York (Mr. PAXON).

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

There was no objection.

PORTALS INVESTIGATION AND POSSIBLE REFERRALS TO JUSTICE DEPARTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BARTON) is recognized for 5 minutes.

Mr. BARTON of Texas. Mr. Speaker, the Subcommittee on Oversight and Investigations of the Committee on Commerce has held 7 hearings since August this year into the circumstances surrounding the planned relocation of the Federal Communications Commission to the Portals, a privately owned and financed office complex in Southwest Washington, D.C. in which Mr. Franklin L. Haney is a partner.

In particular, hearings have focused on the questionable fee arrangements Mr. Franklin L. Haney had with several top Washington lawyers/lobbyists, including Peter Knight, a former top Senate aide to Vice President Gore and manager of the Clinton-Gore reelection campaign; James Sasser, a former U.S. Senator from Tennessee, the current United States Ambassador to China; and Mr. John Wagster, a former subcommittee staff director for then Senator Sasser.

At this time the Subcommittee on Oversight and Investigations does not plan to hold any further hearings, but I do believe that the evidence developed to date warrants specific referrals to the Department of Justice for investigation as to whether Mr. Franklin L. Haney, Mr. Peter Knight, Mr. James Sasser, and Mr. John Wagster might have committed one or more illegalities in connection with the Portals matter, the committee's investigation thereof, and other related matters, such as the extension of the Franklin L. Haney lease with the Tennessee Valley Authority.

The Department of Justice campaign finance task force currently is investigating some aspects of the Portals matter, but it is unclear whether the Department is focusing on some of the legal questions that our investigation has raised.

In addition, there is substantial reason to believe that in attempting to conceal the true nature of their fee arrangement, some of the individuals that I have mentioned may have lied under oath or otherwise made false or deceptive statements to the Subcommittee on Oversight and Investigations of the Committee on Commerce, which in and of themselves constitute crimes worthy of referral for further investigation.

In consultation with the full committee chairman, the gentleman from Virginia (Mr. TOM BLILEY) of the Committee on Commerce, I have directed majority committee counsel to prepare expeditiously a report setting forth findings on this matter, and the grounds for specific referrals to the Justice Department, which will be shared with all members of the subcommittee in order to solicit their views.

However, based on a preliminary assessment of the evidence gathered so far and the potentially applicable laws that may have been violated, I believe the subcommittee's investigation has raised the following legal questions: Whether Mr. Franklin L. Haney may have violated 41 U.S. code section 254(a) by retaining Mr. Peter Knight, Mr. James Sasser, and Mr. John Wagster on a contingency fee basis with respect to the Portals and or TVA leases; number 2, whether in violation of the False Statements Act, 18 USC 1001, and the False Claims Act, 31 U.S. Code, Section 3729, Mr. Franklin L. Haney may have caused a false certification of claim to be filed with the government asserting that he had not hired or retained anyone on a contingency fee basis with respect to the Portals and the TVA leases.

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Whether, in violation of the Federal Conspiracy Statute, (18 U.S. Code, Section 371) Mr. Peter Knight, Mr. James Sasser or Mr. John Wagster may have conspired with Mr. Franklin L. Haney in the making of these false certifications, or in an effort to defraud the United States Government by impairing, obstructing, or defeating the lawful function of a department or government agency.

Whether, in violation of the False Statements Act (18 U.S. Code 1001) and the Federal Perjury Statute (18 U.S. Code 1621) Mr. Franklin Haney, Mr. Peter Knight or Mr. James Sasser may have made false or deceptive statements or lied under oath before the Subcommittee on Oversight of the Committee on Commerce with respect to the nature of their fee arrangements on the Portals or and/or TVA leases; and

Whether Mr. Sasser may have violated 18 U.S. Code 203(a) by agreeing to and receiving compensation while a U.S. official for the representational services of another before a government agency with respect to a matter directly involving the Federal Government.

I also believe that the Department of Justice and the General Services Administration should take immediate steps to recover the $2.5 million in fees paid by Mr. Franklin Haney to Mr. Peter Knight, Mr. James Sasser and Mr. John Wagster on the Portals as authorized by statute, and the more than $17 million paid out to the Portals partnership for rent on a vacant building due to the fixed rent start date that Mr. Franker L. Haney and his representatives secured to facilitate his financing of the Portals.

The subcommittee's investigation into the Portals has been a difficult one, mainly due to the unprecedented lack of voluntary cooperation and the deliberate efforts at obstruction by Mr. Franklin L. Haney and his associates, virtually all of whom refused to be interviewed by committee staff or provide documents voluntarily. Mr. Franklin L. Haney's refusal to produce subpoenaed materials ultimately led to the Subcommittee on Oversight and Investigation of the Committee on Commerce and the full Committee on Commerce to hold him in contempt of Congress. A report detailing those proceedings against Mr. Franklin L. Haney recently was filed by the House by the chairman of the Committee on Commerce, the gentleman from Virginia (Mr. THOMAS BLILEY).

It is also my hope that the House will use this case to make much-needed changes to its rules governing investigations, including expediting enforcement of subpoenas and permitting subpoenas to be issued for staff depositions of witnesses who refuse to be interviewed voluntarily. These steps, among others, will permit the investigative subcommittees to do their important job in a more efficient, timely fashion in the future.

CHANGE IN ORDER OF TAKING SPECIAL ORDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. ROEMER) is recognized for 5 minutes.

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent to substitute for the gentleman from Indiana (Mr. ROEMER).

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

There was no objection.

CONGRESS SHOULD ALLOW EDUCATORS TO DEAL WITH PREJUDICE AND BROADEN DEFINITION OF HATE CRIMES TO INCLUDE SEXUAL ORIENTATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. FRANK) is recognized for 5 minutes.

Mr. FRANK of Massachusetts. Mr. Speaker, earlier this week, a very decent young man was brutally murdered by two savages. And I am particularly struck, Mr. Speaker, because given the reasons that those two deformed individuals, mentally and morally deformed, murdered that individual, it could have been me. Had I, alone and unarmed, confronted these two thugs, I could have been subjected to the same brutalization that Mr. Shepard was in Wyoming, because his crime was to be a gay man.

Something in the culture in which these two young men who murdered him grew up led them, without an ounce of humanity, without a scrap of decency, to set upon this young man with a weapon, beat him to death, and leave him not quite dead, but at the point of death, alone, and in a way, that added further to his torment.

Mr. Speaker, I am encouraged by the number of people who have spoken out against this savagery. I am optimistic, having spoken with leaders here on both sides in the House, that we will take an important step and add to the Federal hate crimes legislation a provision that would say that if a young man who happens to be gay, as I happen to be gay, were to be set upon by thugs in the future who are so consumed with prejudice as to lose any shred of their humanity and kill him, that in appropriate circumstances, if the Attorney General found that certain very stringent requirements were met, and if a Federal presence was necessary, the Federal presence could be there. So, I hope we will add this to the legislation.

But we need to go beyond that. I do not argue, Mr. Speaker, that those who have been critical of various proposals that gay and lesbian people have put forward are guilty of murder or even of creating the climate. But this savage murder does call us to the need to improve what we as a society do to protect other young Mr. Shepherds from this kind of brutality in the future.

In particular, we have debated on the floor of this House measures whereby Members of this House have sought to penalize schools, secondary schools, because they would set up programs to do two things. First of all, to offer protection to the 15- and 16-year-old Shepherds, to the young gay men and young lesbians who find themselves tormented and abused and sometimes physically assaulted in school.

Some of these schools would also try to teach young people in their teens that brutalizing people because they do not like their sexual orientation is not acceptable human behavior. And we have had people in this House try to stop that, try to penalize it.

I hope that one of the things that will come out of this terrible, terrible murder will be a cessation of those trying to prevent schools from trying in turn to prevent this. It is not random that the terrible murder was committed and it is shocking that a 21-year-old and a 22-year-old, that they could be so bestial in their attitude towards a follow human being. These are people not long out of high school themselves.

Mr. Speaker, this underlies the importance of allowing educators to deal with prejudice. We talk about teaching values. But when some talk about teaching the value of tolerance, when some talk about condemning violence based on someone's basic characteristics, we are told we cannot do that. We have been told that we cannot let a school teach acceptance of the gay lifestyle.

Mr. Speaker, think about that. What does nonacceptance mean? If acceptance is interpreted to mean approval, I and others do not care. There are bigots in this world whose approval holds no charms for me. But when nonacceptance means not accepting someone's right to live, we have a serious problem.

If the two murderers who so brutally beat Mr. Shepard to death and left him in this situation to ultimately to die, if they had been in a school system where people had taught that gay men and lesbians were human beings with a right to live, maybe this would not have happened. Maybe teaching people to accept differences, not in the sense of becoming their advocates or becoming their supporters, but in refraining from this sort of assault would be a good thing.

And so we will return to this. I hope we will, in the piece of legislation that is about to wrap up, adopt the hate crimes statute. But I hope also, Mr. Speaker, and I appreciate the Chair's indulgence for 10 seconds, I hope we will no longer see in this House efforts to harass educators and penalize educators who understand the importance of trying to remove from young people's attitudes the kind of hatefulness that led to this murder.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FOSSELLA) is recognized for 5 minutes.

(Mr. FOSSELLA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I ask unanimous consent

to claim the time of the gentleman from New York (Mr. FOSSELLA).

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

There was no objection.

AMERICAN AGRICULTURE NEEDS SUPPORT OF PRESIDENT AND CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. BOB SCHAFFER) is recognized for 5 minutes.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I wish to associate my remarks with the comments of the gentleman from Kansas (Mr. MORAN) and the gentleman from South Dakota (Mr. THUNE). Both of those gentleman represents States very similar to mine when it comes to agriculture and the prominence of agriculture in our economy in our home States.

Mr. Speaker, every day I receive calls from the people who sent me here to represent them, and every day I get letters and messages describing the need for relief from excessive regulation.

I am proud to represent the people of the 4th Congressional District of Colorado, and I have done my very best to represent them well. The people of the High Plains are good, hard-working people who love their families and whose values I am proud to say coincide with my own.

So today, I want to say a few words in particular about the farmers and ranchers who live and work on the Eastern Plains of Colorado. These producers, for the most part, are descendants of the first settlers of the West. They work the same fields and provide the affordable food that makes America a great place to live.

They take a lot of things in stride with their heads held high. They persevere in the face of a lot of things they cannot change. Drought, excessive rains, low crop prices, and the actions of foreign governments are all things beyond a farmer's control.

Farmers get a sense of pride doing the work they do, helping to feed the Nation and seeing the result of a year's work at harvest time. Farmers only ask to be able to do the work and live like other Americans. And right now, they cannot do that for a couple of reasons. Reasons the Republican Congress is attempting to address. See, the relative economic prosperity that the country is enjoying right now has left agriculture behind in many sectors.

Mr. Speaker, last week, the President vetoed the Agriculture Appropriations bill. Without warning nor legitimate reason, he placed the financial condition and trade competitiveness of America's farmers in grave jeopardy. These people expect their elected officials to know and understand them, to represent them in policy and in belief. I can tell my colleagues how challenging it is to face farmers at home and try to explain the behavior of our President in vetoing a bill so central to agriculture in America.

Mr. Speaker, the President of the United States has been wholly unconcerned about the people who are now suffering because of White House politics, the farmers and ranchers in Colorado and throughout the country.

Mr. Speaker, farmers face commodity prices that would drive any other business out of business. Take for example wheat, one of the staples of the American diet. It was priced at $2.35 just last week, yet wheat costs over $3 just to grow and harvest. Corn and cattle prices are yielding record low prices also.

Mr. Speaker, on October 2, this House of Representatives recorded 333 votes for the Agriculture Appropriations bill. Just a few days later, on October 6, the Senate voted the exact same measure off of the Senate floor. Yet when the President was given the bill, one of the only bills to pass with such a commanding bipartisan majority, sadly he let our farmers down.

Our bill provided $4.2 billion, and I say $4.2 billion to provide emergency aid. This money could be used to help people who have been victimized by declining crop prices, drought, flood, fire, disease and so on.

Pulling the rug out from under the Agriculture Appropriations bill, the farmers and ranchers of America, has a debilitating financial impact. There are many financial services, financial markets, insurance policies and provisions, bankers, that rely on the figures that are derived from the Agriculture Appropriations bill to set the planning prices, to set the financial figures for the next growing season. All of that, of course, is delayed now as Congress negotiates downstairs with the insiders from the White House and the Members of Congress who are negotiating with the White House to get this bill passed and concluded.

Every day that we engage in those kinds of debates we are delaying the ability of farmers and ranchers to move forward on financial planning and cash management on the farm.

Our approach in this bill was heavy on trade expansion. This is something that is very, very important, and a huge distinction between our values in a Republican pro-trade House and a White House that seems to be ignorant of the need to expand trade markets.

In fact, we have budgeted, set aside significant funds for the Export Enhancement program and this White House has refused to release those dollars in a way that can really help some of the hurting farmers throughout the country.

This bill is also heavy on research. Cutting-edge research is what has allowed American farmers to maintain their competitive edge around the world. Let me give a perfect example: The Russian wheat aphid. It was introduced into North America not too long ago. It is a very resistant variety of aphid, of insect. It has a remarkable ability to modify itself to various chemical applications. This research is important.

We also need tax relief. Farms are where we look to preserve the American culture. Rural America is a place where every American ought to be concerned. Rural America is the part of the country today that preserves strong families, good schools, close communities, strong economies, where we still honor the values of honest hard work. And I think it is inward to rural America where we need to look today for the values that will carry us into the next century.

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Mr. Speaker, having our President veto the agriculture appropriations bill in my estimation was a very bad mistake. I am confident that our Republican Congress will always keep the needs of farmers and ranchers in the forefront as we proceed in the closing days of this Congress and return home to those constituents that sent us here to operate faithfully and justly, not in a partisan sort of way. We will keep the farmers and ranchers foremost in our minds as we proceed.

THIS CONGRESS MADE PROGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. KINGSTON) is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, there was this guy who was in hell and he was sentenced to go to hell and he was walking around down there and he was smiling. The devil says to him, what are you smiling about. He said, I am from South Georgia. It is 90 degrees. I do not feel so bad. I kind of feel like I am back home again.

The devil got mad. The devil cranked up the thermostat to 100 degrees and checked on the guy after a little while, walked over, the guy was not even sweating. Devil said, now what is the problem, why are you so happy now? He says, well, again, I am from South Georgia and 100 degrees is like July. This does not bother me a bit.

The devil got real mad, cranked up the thermostat to 110 degrees. And at this point the guy was smiling again. The devil runs over to him and says, I know, August, right. And guy says, you got it, devil, 110 degrees is not a problem.

The devil got real mad and turned the thermostat down to 15 degrees. Everything got blue and frozen. Devil ran over there and he saw the South Georgia boy smiling one more time and he said, what is it now? And he says, devil, I am smiling because apparently the

Democrats and the Republicans have finally found something that they agree on up there in Washington.

And so the reality is, Mr. Speaker, we are often painted, Democrats and Republicans, as fighting things over. I will say this, that I believe philosophically so often that my side is right, as my good friends on the Democrat side believe their side is right. But what probably a less than complete world it would be if one side always won.

I think that if the Chicago Bulls keep on winning the National Basketball Championships, people are going to get tired of watching basketball. I am real proud of the Atlanta Braves, as I know the folks in New York City are proud of the New York City Yankees. If every year it boils down to the Braves versus Yankees, this year it may be San Diego versus Cleveland, people would get tired of watching baseball all the time.

The point is, Mr. Speaker, you cannot always have it the Republicans win; you cannot always have it that the Democrats win. We do need to cooperate. We do need to get some things accomplished, but at the same time, I do not think either side needs to apologize for what they believe in.

I am very proud of what this Congress has accomplished under Republican leadership. We have the first balanced budget since 1969, 1969, when Neil Armstrong was walking on the moon and the Mod Squad was on TV. We have reformed, protected and saved Medicare which a mere 3 years ago was on the road to bankruptcy. Now Medicare, on a bipartisan basis, has been reformed.

This Congress, under Republican leadership, has passed the first tax cuts in 16 years. We have passed IRS reform. This year we pushed for some more tax cuts. We have pushed for ending the marriage tax penalty. And my chart over here, Mr. Speaker, shows you some actual people, some real people who will directly benefit from marriage tax penalty relief. We have Kris Hanson in Nyssa, Oregon; William Johnson, Reno, Nevada; Larry Bergman in Tracy, California; Tom Smith from Columbus, Ohio, and the names go on and on and on, as millions of Americans would benefit from paying less taxes and avoiding paying higher taxes simply because they are married.

How big is this tax cut? We keep hearing the tax cut is huge, but of our $9.6 trillion estimated expenditure over the next 5 years, the tax cut is a mere $80 billion. It is a slither of a slither, Mr. Speaker, as you can tell from this chart. It really has been exaggerated. So that people can see it, it is just a mere slice. If this was a pie, I can promise you, you are going to go away hungry.

How much is the tax cut from the surplus? It is about 10 percent. What do we do with the other 90 percent of the surplus, Mr. Speaker? We for the first time in 40 years protect Social Security. We do not take the Social Security money out of the Social Security trust fund. We build a wall on it so that that money cannot be used for roads and bridges. The first time in 40 years, 90 percent of the Social Security surplus would be protected.

What else has this Congress done? We have reformed welfare, welfare, Mr. Speaker, which was vetoed twice by the President and finally signed into law by the President. Today we have 37 percent less people on welfare rolls than we did 5 years ago. We need to continue to do that so that people become independent and that is a very important part of the American experience.

Mr. Speaker, finally let me say on education, we have a whole gamut of issues on education designed to put dollars back in the classroom and control back in local educators' hands and away from the Washington bureaucracy.

Mr. Speaker, is this Congress making progress? Yes, it is. Is it everything the Republicans wanted? No. Is it everything the Democrats wanted? No. But is America being served by the dynamic of the two-party system? I would say that it is, and we should continue working for these very important reforms.

SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. NEUMANN) is recognized for 5 minutes.

Mr. NEUMANN. Mr. Speaker, I rise tonight to talk about why it is that we are still here in Washington, why many of my colleagues are not back in their States campaigning for an election that is very near at hand.

I think we need to realize how important is the struggle that is going on in this city right now as it relates to a very important issue for so many senior citizens in America. That is Social Security.

About two weeks ago we had a huge fight out here about whether or not it was all right to use the Social Security surplus for tax cuts. And in the end that fight was decided, no, it is not okay to use Social Security money for tax cuts. That is not okay.

Tonight we are out here, and many of us have come back specifically for this reason, because there are so many people out here right now that want to take that Social Security surplus money and use it for new government spending. There are specific proposals, one, $14 billion to fund the IMF. Another one, let us rebuild embassies with the Social Security money. Another one, let us help Korean flood victims with the Social Security money. I am not here to debate the merits of the IMF or even the merits of building the embassies or helping the flood victims in Korea, but what I am here to suggest is that if this government sees fit that these are the top priorities, then it is necessary that we eliminate some other sort of government spending so that we can afford to fund these top priorities. Because what is wrong is going into the Social Security trust fund and taking the Social Security money out to fund these new Washington spending programs. That is wrong.

If the government sees these as the top priority items, then the government needs to find less important items and get rid of them so that we are not in essence stealing the Social Security money to fund new government spending.

Another program that we are hearing a lot about in the news right now is education. There is a proposal from the President to increase funding for education. I got a call from a constituent. That is the other reason I came over here tonight. I had a discussion with a constituent this evening. She said, Mark, what exactly do you say when the President calls for more funding for education for 100,000 new teachers and building new schools? What do you say back to the President?

I said, I support having smaller class sizes and more teachers and newer school buildings, too. I think it is absolutely essential that we have smaller class sizes and newer school buildings. But the question that needs to be answered is not whether or not we should have smaller class sizes but who is going to control where those dollars are going to, who is going to decide where those new teachers go?

Should it be us out here in Washington? Is there something that makes us powerful or more knowledgeable than parents and teachers and communities? What exactly is it that would lead us to believe that we are better stewards of that money than the parents and the teachers and the folks in the local community who can then make decisions how to best spend that money and where to best put those new teachers. The debate is not about whether we should have more spending for education. The debate instead is about who should decide where those dollars are going to be spent.

One more thing, when we talk about the government collecting tax dollars out of working people's pockets, getting them in Washington and then the government, the Federal Government out here in Washington deciding where we are going to put 100,000 new teachers and where we are going to decide that it is all right to build new school buildings, when we collect that money out of the taxpayers' pockets, 40 cents goes to the bureaucracy before any money gets out to hire new teachers or before any money gets out to build new schools. That is wrong. That is what is wrong with the whole concept.

If we want to direct more of the Federal tax dollars to schools and to education, that is good. I have no problem with that at all. As a matter of fact, I think that is a very high priority in our Nation. But when we are redirecting those dollars, let us empower the parents and the teachers and the communities to decide how to best spend

those dollars to better educate their children.

My experience here in Washington, I have seen absolutely nothing, absolutely nothing that would lead me to believe that the people here in Washington are better able to determine how to best educate our kids, are better somehow than the people that are there in those local communities, in the Fox Valley where I spoke to this young lady this evening. I see nothing that would indicate to me that the parents and the teachers and the school boards and the other folks there in the Fox Valley in Wisconsin are not better prepared to make decisions on education that relate to their kids than the people here in Washington, D.C.

That is what this debate is about. It is not about more money or less money for education. Education is a very high priority. There are all kinds of government waste that we can eliminate so as to redirect more dollars to education. I support that.

To the extent that we are talking about allocating more of our Federal resources to education, I support that. But I also support making sure that it is our parents that are deciding where their kids go to school, what the kids are taught and how it is taught in those schools. We need to reempower our parents to be actively involved in the education process of our kids.

We found an interesting thing happens, when the parents are actively involved in the education process of the kids, we looked at a study of thousands of teenagers, what we found is that when the parents are more actively involved in the kids education, not only does the education get better, but we find that there is a decrease in crime rates, there is a decrease in drug use, decrease in teen pregnancy. So the bottom line in this whole education debate is not should there be more Federal dollars allocated to it or less. The debate is about who should decide how those dollars can best help educate our kids.

I keep coming down to, I have just seen absolutely nothing that would indicate to me that somehow, because we are here in Washington, we know what is best for educating our kids out in Wisconsin. I just do not buy into that. I think the right answer to this is go ahead and support reprioritizing the dollars toward education, but let us make sure that our parents and our teachers and our communities and our school boards are then deciding how to best use those additional resources to best improve the quality of education for our children.

CIA IGNORED CHARGES OF CONTRA DRUG DEALING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker, well, the CIA has finally admitted it and the New York Times finally covered it. The Times ran the devastating story on Saturday, with the headline: CIA Said to Ignore Charges of Contra Drug Dealing in 80s.

In a remarkable reversal by the New York Times, the paper reported that the CIA knew about Contra drug dealing and they covered it up. The CIA let it go on for years during the height of their campaign against the Sandinista government.

Among other revelations in the article were that ''the CIA's inspector general determined that the agency 'did not inform Congress of all allegations or information it received indicating that contra-related organizations or individuals were involved in drug trafficking.' ''

The Times article continued pointing out ''[d]uring the time the ban on [Contra] funds was in effect, the CIA informed Congress only about drug charges against two other contra-related people. [T]he agency failed to tell other executive branch agencies, including the Justice Department, about drug allegations against 11 contra-related individuals or entities.''

The article continues stating ''[the Report] makes clear that the agency did little or nothing to investigate most of the drug allegations that it heard about the contra and their supporters. In all, the inspector general's report found that the CIA has received allegations of drug involvement by 58 contras or others linked to the contra program. These included 14 pilots and two others tied to the contra program's CIA-backed air transportation operations.

The Times reported that ''the report said that in at least six instances, the CIA knew about allegations regarding individuals or organizations but that knowledge did not deter it from continuing to employ them.''

Several informed sources have told me that an appendix to this Report was removed at the instruction of the Department of Justice at the last minute. This appendix is reported to have information about a CIA officer, not agent or asset, but officer, based in the Los Angeles Station, who was in charge of Contra related activities. According to these sources, this individual was associated with running drugs to South Central Los Angeles, around 1988. Let me repeat that amazing omission. The recently released CIA Report Volume II contained an appendix, which was pulled by the Department of Justice, that reported a CIA officer in the LA Station was hooked into drug running in South Central Los Angeles.

I have not seen this appendix. But the sources are very reliable and well-informed. The Department of Justice must release that appendix immediately. If the Department of Justice chooses to withhold this clearly vital information, the outrage will be servere and widespread.

We have finally seen the CIA admit to have knowingly employed drug dealers associated with the Contra movement. I look forward to a comprehensive investigation into this matter by the Permanent Select Committee on Intelligence, now that the underlying charges have finally been admitted by the CIA.

MORE ON EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I came to the floor tonight to talk about education and to first raise my disappointment with Congress being unable to provide funding for America's children in terms of education.

However, I am hearing that perhaps an agreement has been made and that there will be funding available for some of the President's initiatives that he proposed back in January in the State of the Union address.

What I have here tonight is a pamphlet that describes what matters most, Teaching for America's Future, that I provided to every Member of Congress at the top of the year. As the only Member who serves on the National Commission on Teaching in America's Future, I wanted Congress to recognize persons across this Nation, from governors to state superintendents to school superintendents, principals, educators, teachers and parents, coming together to talk about the importance of qualified teachers.

This is why we embraced this, the President's initiative on 100,000 new teachers to provide for our students. We must reform the methodology of teaching in which we have begun to do, and we must expand professional development for teachers. We can ill afford to have weakened professional development, thinking that this will make teachers more qualified.

□ 2045

Teachers need a more frequent involvement in professional development, and there needs to be a whole methodology of teaching whereby computer literacy will be part of this new methodology of teaching.

After-school programs is another phase by which we need to embrace this initiative. If we are going to divert those 3 hours of mischievous time for students who come home to empty homes, latchkey children, we will then need to have after-school programs where this will be a positive setting for our students and our children whereby they can divert from the violence that has seemed to just permeate that block of time where children are not supervised.

Smaller classrooms. We as former teachers and administrators recognize the importance of smaller classrooms, eighteen in a class, that is the best, more manageable classroom whereby students will get individualized training. We must ensure that qualified teaching and qualified learning be part of the structure of a reduced class size.

School construction. There is no way that dilapidated schools where roofs are falling, wiring is seen outside of the plastic, plaster is falling from the ceiling, there is no way that is an environment that is conducive to learning.

This Congress must make sure that the infrastructure of education become a priority just like the infrastructure in transportation became a priority in the T–21 bill. We must provide that infrastructure of education so that we

can build the bridges of learning for our students to cross over this bridge to the 21st Century like we are building infrastructures, roads, and bridges in our towns and in our cities.

Yes, the President's initiative is one that we embrace, members and commissioners on the National Commission on Teaching and America's Future, a think tank that speaks to education, because we want to make sure that our children do have the quality of qualified teachers, reduce class sizes where there will be more individualized training, after-school programs where they can further this training and also enhance their knowledge, and, yes, school construction.

Children must have an environment that is conducive to learning. Our children deserve no less, and our Nation has no recourse if we are to prepare our future leaders for this global workplace.

The SPEAKER pro tempore (Mr. HILL). Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

(Mr. MINGE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SHAYS) is recognized for 5 minutes.

(Mr. SHAYS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. McCARTHY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PASCRELL) is recognized for 5 minutes.

(Mr. PASCRELL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Oregon (Ms. FURSE) is recognized for 5 minutes.

(Ms. FURSE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ISSUES YET TO BE SOLVED IN THE DO-NOTHING CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I would like to spend the hour this evening with some of my Democratic colleagues basically reiterating what we have been saying the last few days or the last few weeks; and that is that, because of the Republican leadership's inattention, if you will, to the budget and to the needs of the American people, and because of their unwillingness to reach out and deal with some of the most pressing issues that the public is really crying out for this Congress to address, we are now faced here with another day and another continuing resolution because there is no budget because the Republican leadership has not passed a budget and is basically trying to get out of town, have this Congress adjourn, without addressing some of the major concerns that we as Democrats feel should have been addressed and still could be addressed if the Republican leadership would only take them up. I just mention a few like HMO reform, education initiatives, the need to address concerns about Social Security.

I just wanted to point out that, due to excessive partisanship, we have seen the Republican leadership waste time on a very extremist agenda in this Congress and not deal with the issues that really should be dealt with.

I just wanted to mention two tonight before I introduce and yield time to some of my colleagues. One is this raid on the Social Security Trust Fund to pay for tax breaks, if you will, primarily for the wealthy, and the second is school vouchers.

What we saw just a few weeks ago was really the most alarming of the extremist proposals passed by the Republican Congress, and that was H.R. 4579, the GOP tax break bill. This raided the Social Security Trust Fund to pay for an $80 billion election year tax break. The House Republicans passed their tax, their tax cut bill on September 26 by a vote of 229 to 195, and they said they were using the surplus for tax cuts.

But what the Republicans failed to point out was that, without the Social Security Trust Fund, there was no surplus. Indeed, 98 percent of the surplus from fiscal year 1999 through fiscal year 2008 comes from the surplus in the Social Security Trust Fund.

That is virtually all the surplus reflects, anticipated buildup in the Social Security Trust Fund to pay future Social Security benefits. To spend this Social Security surplus on tax cuts is to endanger the future benefits of Social Security recipients, our senior citizens and future senior citizens.

Democrats have proposed saving Social Security first, preserving every penny of the surplus until the Social Security Trust Fund is strengthened through the 21st Century.

But the Republicans did not want to deal with that. They did not want to deal with Social Security. They did not care about Social Security. They just wanted to get some quick tax breaks, again primarily for the wealthy.

The second thing I wanted to mention tonight, and I know that most of my colleagues are going to talk about, the Democrats education initiative, the school modernization program, the proposal to add 100,000 teachers to bring class size down.

These are really the two issues that we insist must be addressed before this Congress adjourns. But what I wanted to point out very briefly is that, not only did the Republican leadership not address these important education initiatives, but they spent a tremendous amount of time this last year trying to take away money from public schools and give it to private schools in the form of vouchers.

I consider this one of the most extreme parts of the GOP agenda, this anti-public education agenda they have been pursuing over the last 2 years. Even the conservative Washington Times acknowledges, and I just want to quote, ''that the ground breaking school voucher provision is the first step in a larger Republican effort to shift Federal aid away from public schools while making it easier for parents to send their children to private schools. School vouchers use scarce taxpayer dollars to subsidize attendance of private and religious schools rather than improving the public schools.''

I am going to use a quote from one of my colleagues, a Republican, the gentlewoman from New Jersey (Mrs. ROUKEMA) because some of the Republicans on the other side share the Democratic view on this, although the leadership was clearly against us.

The gentlewoman from New Jersey (Mrs. ROUKEMA) said, and I quote, ''ultimately these school vouchers will result in gutting the public school system. Because vouchers will be sending more and more of our scarce financial resources out of the public system and into the private system.''

Mr. Speaker, this is just the beginning of what the far right wants to do to destroy public education. They wanted to eliminate the Department of Education, and they want to take money from the public schools and give it to the private schools.

Just an example of a couple of expressions that have been made by some of the far right proponents, if you will, who are advocates of this. This is a quote from Pat Robertson, founder of the Christian coalition. He says, ''the public education movement has always been an antiChristian movement.'' Can you imagine suggesting that somehow public schools are antiChristian?

Another quote from Jerry Falwell, founder of the Moral Majority, and I

quote, ''I hope to live to see the day when we will not have any public schools. The churches will have taken them over again, and Christians will be running them. What a happy day that will be.''

Now I do not mean to take away from people who want to send they're children to religious schools. I think it is great. I have no problem with it whatsoever. But do not make the public school system somehow the devil, if you will, in something that should be destroyed. That is what I am fearful is happening here.

So I wanted to point out tonight that it is not just a question of the fact that the Republican leadership will not take up our education initiatives but that they have an entirely different agenda. They basically want to destroy the public school system. I do not think there is anything less than that they have in mind. That is not true of all of my colleagues on the other side, but I think true of those who are in charge.

Mr. Speaker, I yield to the gentlewoman from California (Ms. WOOLSEY), who has been so supportive of this effort with regard to the Democrats education initiatives.

Ms. WOOLSEY. Mr. Speaker, I would like to thank my colleague, the gentleman from New Jersey (Mr. PALLONE) for holding this special order and sharing it with us tonight.

I would like to talk about two issues under this, what I am kind of coining as the ''do-nothingness Congress.'' It just keeps coming up and coming up to me. One the environment, and two education.

I would like to start with education, because I keep hearing the other side of the aisle talking and talking about all they have accomplished in education in this Congress, and it makes me think that some of them, some of our Republican colleagues need to go back to school themselves, because these education initiatives passed this year, the education bills passed in this Congress simply do not add up to meet the real needs of our kids and our schools.

Our children, 25 percent of our population, 100 percent of our future, and the Republican agenda does not make the grade when you consider how important our children's education and their future and their education is to not only their future but our future.

So those of us who have done our homework know that overcrowded classrooms are one of the biggest obstacles to improving education for these important children. We have read the studies that confirm that what parents and teachers all over the country already know, and that is that smaller class sizes result in a better education experience and better education results.

In fact, even my very Republican Governor in California, Governor Wilson, has made my home State step up to smaller class sizes and made that a priority in California. But do my colleagues know what we learned right away? We learned immediately that smaller classes mean training more educators, means hiring more teachers, and building more classrooms.

So we have a mandate in California, for grades K through three, 18 is the largest class that a school can have; and they do not have any classrooms and the teachers are not certified.

So that is why President Clinton has asked the Congress to pass legislation which will allow schools across America to hire and train 100,000 new qualified teachers. That's why President Clinton has asked the Congress to pass legislation to help communities with their unsafe schools, renovate their old schools, and build new schools.

What answers do my Republican colleagues give to the President? Their answer is education block grants and vouchers for private schools. But we all know that block grants and vouchers do not make the grade. Block grants and vouchers do not repair crumbling schools or get more teachers into the classroom.

It is really a good thing that this Congress is not on a pass-fail grading method because, so far, my Republican colleagues and this do-nothing Congress would fail.

But there is still time. We have a little bit of time with this week to do some extracurricular work in the omnibus appropriations bill to make classes smaller, to make schools safer, and to make our children our number one priority around this country.

About the environment. We are also waiting to see whether the Republicans are going to hold our precious environment hostage during these last days of this do-nothing Congress. They added many harmful riders to the interior appropriations bill that President Clinton would have vetoed, so we did not even vote on it.

Now they are working in the back rooms, and I am scared to death that they are going to add these riders to the omnibus appropriations bill. This will make the appropriations bill unpassable, adding to the do-nothingness of this Congress.

I joined many of my colleagues writing to the President, asking him to oppose such assaults on public health, public lands, and our public treasury; and I am hopeful that the majority party will do what is right.

Some of these riders range from leaving our beautiful lands unprotected to leaving our children exposed to toxic chemicals. Everyone, Republican and Democrat alike, should agree that these important policy issues should not be solved through back-door methods on appropriations bills.

□ 2100

Sometimes the Republicans actually do the environment a favor by doing nothing at all, and that was evident last week when the omnibus parks bill, which contained many harmful environmental measures, was soundly defeated, with Democrats and Republicans alike.

The reality is that the general public wants us to protect their environment. They like clean air, they like clean water, and they like the parks and forests we all treasure. The American people will not tolerate these constant attacks. They not only care about themselves, they care about their children and their children's children and all the children in the future.

Between the Republican attacks on education and our environment, perhaps a do-nothing Congress is best because it might be the best we could hope for. Unfortunately, when this Congress decided to do something, they decided to do something in the wrong direction.

We can only hope the Republicans see the light, the light of important issues such as education for our children, our number one priority, and environment for ourselves, our future and our children's future.

Hopefully on election day, the American people will show the majority party the way.

Mr. PALLONE. I just want to thank the gentlewoman again for bringing up the environmental issue and basically saying that what we have been doing in the last 2 years is essentially playing defense here. There has not been any effort on the Republican side to do anything progressive with regard to the environment. We have simply had to defend and prevent them from making things worse with these terrible environmental riders. There has never been a suggestion of reauthorizing the Clean Water Act or the Clean Air Act or the Endangered Species Act in a way that would be more protective of the earth or the environment.

The same is true with respect to education. Now we are insisting that there be some progress on education initiatives like modernizing our schools, but we basically have been playing defense against this effort to tear down public education with vouchers and other efforts to slash funding for education. I want to thank the gentlewoman for bringing that up.

Mr. ETHERIDGE. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from North Carolina, who really is an expert on education issues.

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for organizing this hour and I am proud to have an opportunity to spend a few minutes with my democratic colleagues talking about this whole issue of education.

It is interesting to me. Education really should not be a partisan issue, but unfortunately in this Congress it is. Children show up at the public schools. They do not come as Democrats or Republicans. When they start, they only know what they get, not what they need, and that is unfortunate. Many times children, depending on the income of their parents or what part of town they may come from, that is what they may wind up with in

terms of their opportunity for education, which in turn dictates to the quality of life they may have later, and certainly dictates the quality of life their family will have because education really is the one thing that levels the playing field, and I mean public education because depending on the State, in this country roughly 90 percent of the children are in public schools. In some States, in my home State, it is almost 95 percent and it varies from State to State.

That is why we need to do everything we can to support the public institution that has really made a difference in this country of providing an economic opportunity for so many people to move into the middle class in America. That has been public education.

Let me ask a question: How did we get here? How did we get to the condition we are in? Because most of the people who want to take the public school money in this Congress and turn it into vouchers and give it to private schools, to those that already have it, came through the public schools in this country. So they had an opportunity to step up to the plate and enjoy that great smorgasbord we call public education in America that many around the world would love to have the opportunity to get, who come to our shores on a daily basis and walk into the doors of our public schools. Many of them cannot speak the English language, and we need to do a better job of making sure they have that opportunity.

There are many in this Congress, of the majority party now, in this Congress, who would like to take away that opportunity.

It amazes me the challenge that we face in trying to improve the quality of education and the fights we have had this year to gain every inch of ground we have gotten.

The President has asked for funds for teachers. We just passed a higher education bill that provides for training of our teachers, the change that needs to be made. Many of us, and I was fortunate enough to be a part of the legislation that incorporated character education, really to put back in the training of our teachers, which is an important component.

I mention that only to say in the sixties when the Sputnik went up, and we had challenges in this country in math, in science, et cetera, we poured the dollars in at the higher education level to train engineers. We trained doctors. We put the dollars in and paid for it because that was part of our national defense. We saw that as a mission, something we should do.

Today that is still true in our public schools. That is the foundation that we build on, and yet there are those that would say to us, in the Republican Party, that is not a responsibility of Congress.

Why, of course it is a responsibility. Our first challenge is to defend our borders, and our national defense, and our military. If we are going to compete in the world economy, our next challenge is to make sure our children, all of our children, no matter what their economic or ethnic background is, that they get an opportunity to get an education.

As we put those teachers out there, we need to make sure they have a quality place to go to school, and that is why we need to build buildings.

I have been into probably more school rooms than any other person in the 8 years I was superintendent of the schools of North Carolina, and we have spent a lot of money. We spent $1.8 billion in a bond issue we passed at the State level 2 years ago, and who knows how much the locals have spent, but we are still behind. We have children in trailers, and yet there are places in this country where we have children in classrooms that a person would absolutely not operate a business. They would not operate a business because the buildings are in that kind of a condition.

How do you say to a child that education is important when they ride by a prison on the way to school that is nicer than the building they are going into to get an education? Children are not dumb. They are pretty bright. They can figure things out. They know what is important in their community. That is why it is important that we pass, before this Congress goes home, and we ought to stay no matter how long it takes, to put some money out there to supplement, only to supplement, what locals are doing; to build the buildings that need to be built; to repair the buildings that are decaying.

We have classrooms that the windows are out. We have got classrooms that are cold in winter when they ought to be heated. We have got classrooms that are in deplorable conditions across this country and it varies from community to community.

For someone to stand on this House floor and say to the children of America, that is not the role of the Federal Government, I can remember when it was not the role of the Federal Government, if I read my history, to build roads. I remember when it was not the role of the Federal Government to put money in water and sewer because we did not have water and sewer. There were so few people in this country, they had a house out behind the house they went to, but we have changed in America. In America, we have water and sewer. We have treatment plants. There are places where we do not have enough because we need to put more to clean up our water, but we have changed as a country.

Education is among the highest priorities we have in America today and, yes, we have a role in it. We can argue about how we are going to get it there.

I happen to believe that if we are going to put 100,000 teachers out there, they ought to go to the schools and we ought not to let a bunch of people decide what they are going to do with that money. They ought to go to the classroom where the children are.

I was a superintendent and there are some mighty good people out there and I trust them. I was in business for 19 years, too. I had my books audited every year by a CPA. I trusted my people, but I did not trust them that much. I do not think this Congress is going to trust dollars to be thrown out. We ought to require that it be in the classroom where children are, because I believe it is that important to reduce class sizes.

I do not need to stand here this evening and share with my colleagues and the American people that it is important to reduce class sizes. Teachers know it is. Parents know that it is. The PTAs across this country support it.

It is amazing to me, I never cease to be amazed when I come on this floor, when people have all the answers about all the issues and yet we have professionals in our classrooms that have gone, and I assume our colleges are doing a good job, most of them, training teachers, they know what children need and yet we are going to tell them what they need. They do know. They know that their children need a good, warm, comfortable place to learn. They need a smaller class size.

It is not necessary to be a college-educated person to understand if there are 29 students in a classroom or 16, which class is going to get more attention from the teacher. The President is right. We need smaller class sizes. If it is done in kindergarten through the third grade, the data is there. It is absolutely irrefutable, that if it is put there it can be seen. It has been done in Tennessee. We are doing some of it in North Carolina; not enough. We are trying to get it in all the kindergarten through the third grades, but I can say this evening if a child cannot read by the time that child is in the third grade, they are in deep trouble. It is more likely the child will be a dropout. That child most likely will drop out of school. If they do not drop out of school, they struggle and they struggle. They will become a discipline problem and there are all kinds of problems in the schools.

Others want to say it is a school problem. It is not the school's problem. It is our problem. Those children are all our children. Whether they are our biological children or not, they are children of America, and they have a right to a good education. We have the resources. We ought to be doing it. There are a lot of things we do that are important, but nothing is more important than the dollars that this Congress ought to put in, before we go home this week, to make sure we have a decent classroom, where we can, for children to go to, and that they have a reduced class size where teachers can do the job they have been hired to do.

We talk about we want academic standards, and I happen to believe it is important to have it. We are going to get it if we reduce those class sizes and

allow teachers to do the job they were hired to do.

Last year, I served as co-chair of the Caucus on Education. We laid out a whole package of things that we thought were important for education that would strengthen our schools all across this country, first class public schools with academic excellence, and we get there by doing these and many other things. We talk about getting parents involved. Parents get involved when they are proud of the schools their children go to.

It is easy to have pride in a building that is nice. It is easy to have pride in a building where the teacher knows the children and when the principal is engaged and when computers are involved, and that will happen. Public tax dollars will improve public education if the dollars go to the schools and do not wind up in vouchers for private schools.

I said, when I was state superintendent, I would fight for the right, I still say that as a Member of Congress, for any person who wants to send their child to a parochial or private school. That is their right. But I will fight just as hard to make sure they do not take one penny of tax money to be used for that because we do not have enough money in our public schools.

The last time I checked the public schools in my State, the PTAs were having bake sales to make sure they have enough money for the schools. We do not need to be taking the hard earned tax dollars from the citizens of my State or this country, in America, and not putting them back where they are well spent, in our public schools.

There are more things I could say about it because I believe very strongly our public schools are the foundation, really it is the foundation, that our democracy is built upon. Jefferson said if we expect to remain a free and democratic society, we must be a well educated society, and I still believe that.

Mr. PALLONE. I just wanted to ask the gentleman one thing, though, because he is so knowledgeable on the subject. First, let me say that it is amazing to me, and I am glad the gentleman brought up this whole ideology that somehow the Federal Government is not supposed to get involved in public education, I do not know how our colleagues on the other side, the Republican leadership on the other side, can say on the one hand that they do not want to fund public education but then say it is okay philosophically to pay through vouchers for private education.

□ 2115

To me, it is even more extreme, if you will, to say on the one hand that you do not think we should get involved with the public sphere, but it is okay to get in the private sphere with public dollars. Ideologically that makes no sense to me.

I also wanted to mention, and maybe you could just develop this a little bit, the gentleman talked about the need for the funds for school modernization. I think we need to point out, as the gentleman said, we are really only talking about a small amount of dollars here.

Essentially what this does, from the way I understand it, is it gives Federal tax credits to pay the interest on the bonds. And the problem you have in a lot of the public schools, including in my own district these days, is that they cannot afford to put out these bonds to build additions or renovate the schools because the costs of the interest rate is too high.

If you could give us an example, if you would briefly, about how that would help in North Carolina.

Mr. ETHERIDGE. If the gentleman will yield, you are absolutely correct, because what it would amount to is a school system, let us say, well, I will use my own state, North Carolina, let us say when it is approved by Congress, assuming it is approved this week, let us say North Carolina is allocated, as an example, $200 million for the state, whatever that number is. That is an easy figure to work with.

Then the state would in turn allocate that to the local systems based on whatever need formula they use. Then they would in turn sell those bonds at the local level to build the schools or renovate as they needed, and the Federal Government would pick up the interest, and the people who buy it, of course, would check that off on their taxes, would be one way to do it.

But however it works out, it would mean that the local unit of government, and that is the important thing, you are passing down, we are allowing at the Federal level building that partnership that I think is so important.

We are not taking away any of the authority at the local level. We are becoming a partner. We are not the senior partner in this situation, we are the junior partner, and doing it on a one time basis.

For those who want to talk like we are the big brother, in this case we are the little-bitty brother, because they are doing about 90 percent of the work at the local level, and the truth is of the Federal funds flowing to the local level, in my state it is about 7 percent, and I think it varies from state to state, but it is somewhere around 9 percent maximum of Federal dollars flowing to the local level.

Education has always, will be, and continue to be a local issue, and so are facilities. But all we are talking about is helping those who have the greatest need at a time when they are really struggling. They are trying to put as many dollars as they can into curriculum offerings and in teachers, and all we are doing is supplementing two pieces, the facility for a little while, to give them a jump start.

It is like having a car alongside the road and the battery is weak, but the engine will run. So we are going to give them a jump start until they can get far enough to the next station to buy them a new battery.

That is all we are talking about with these funds, to renovate and get those schools running. Then when you get the vehicle running, people say it looks pretty good, I am going to loan you enough money to buy you a new battery. That is what we really are talking about with the bonds to renovate and build some new buildings.

Mr. PALLONE. I thank the gentleman, and I want to yield to the gentlewoman from Connecticut who has taken the leadership on this.

Ms. DELAURO. I want to thank my colleagues for their really eloquent comments. A lot of us are here tonight, I am not going to speak very long, because there are lots of people whose voices ought to be heard. It is a critical issue. It is a values issue. It is who we are and what we define as a priority for this Nation.

I have often said education is the great equalizer in this country, and it has allowed for so many of us, whatever our gender or religious affiliation or party affiliation or socioeconomic status the ability to use our God-given talents in order to try to succeed. And it is a mystery to me that here we are at 9:20 at night, and for almost the last two years, or at least a year, have been trying to focus in on education, some very simple proposals that the President laid out last January, and that we want to try to have our children have some opportunity for some attention in schools, to reduce the class size, not just because of numbers. That is not what the issue is.

You take the class size and you reduce that number in grades one through three from sometimes 22, 24, 26, up to 32, 36 students in a classroom today, down to 18, and you allow that teacher to have some individual time with each and every child. So that I know that my youngster is going to get the benefit of some individualized attention.

That also helps the teacher to deal with a better environment for learning, better discipline opportunities, when you have got a smaller number of children, all with the express purpose of looking at increasing our standards, making both teachers and students more accountable, and, in essence, more of an opportunity to learn.

That is one of the proposals we are here talking about and struggling for, quite frankly: Increase the numbers of teachers, 100,000 teachers. We have had a wonderfully successful increase in the number of cops on the beat, community policing, because we had a COPS Program with a partnership between the Federal Government and local government to increase the number of policemen on the beat in our country.

This is a very similar type program. Let us increase the number of teachers. Better education, more safety, these are the kinds of values that the people that we represent have asked us to engage in.

Modernizing our schools, not because our kids ought to go to school in palaces and these grandiose buildings, but in fact in some places with falling roofs and paint and exposed wiring and a whole variety of poor infrastructure in our public facilities, it is to clean up that problem.

But probably more importantly than the bricks and the mortar is the opportunity. I have got lots of old buildings in my district in Connecticut. We are an old industrial city. We cannot wire these facilities up to the Internet. We cannot give our kids the kinds of adequate ability and technology that allows for them to be able to compete and to succeed. That is what modernization is about.

So, I mean, these are three kinds of areas that it seems to me are very basic. And here we are over the last year fighting for these issues, with the President leading the way, and we are at the last hour of this Congress, when we have been unable to even get a hearing on any of these critically important issues. And our hope is that we can in the next remaining days of this Congress, or even the remaining hours, we have got time. We have got time. We can do it. The majority, the Republican majority in this body, if they wanted to, in a heartbeat, in a heartbeat, could decide that that is where our goals are, that is where our priorities are.

These are what our values are about.

I have just one more comment to make, because I think there is a very big difference, a very, very big difference, in the philosophy that we bring to this body.

No one here, that is here tonight, to talk about this issue, believes that government should do everything for people. That is not what this is about, because there are those on the other side of the aisle that say our colleagues want to just throw money at this problem.

That is not it at all, especially when the Federal Government contribution to education from kindergarten to 12 years is 7 percent. It is rather minimal, when we think about it.

But the fact is that I happen to believe, and I know my colleagues here tonight who are speaking on this issue believe, that in fact it is government's obligation, their obligation, to help people by crafting those tools that are necessary for people to meet the challenges in their lives.

That is what these programs are about, helping them to meet the challenges of educating their kids, making sure that their kids have the opportunity to succeed for the future. That is basic to every parent in this Nation. As my parents wanted to leave me with the opportunities to succeed, each and every one of us views it as our responsibility to help our kids have a better future, and we happen to believe that in fact government has a role in helping to that end; not to do everything, but to help in the process.

I am afraid and sad to say that not all, but particularly the leadership on the other side of the aisle, does not believe that government has any role to play in providing those opportunities for our kids, and that is a sad day. My hope is that we will turn that around in the next few days of this Congress.

I thank the gentleman and I thank my colleagues for the opportunity to share this with them tonight.

Mr. PALLONE. I just wanted to thank the gentlewoman, and before I yield to the next member, I was glad that you brought up the point about the COPS grant, because this is very much, this hiring of the additional 100,000 teachers, is very much modeled on the COPS grant.

We had someone, I think it was the Republican whip or one of the Republican leaders the other night, was suggesting that somehow the COPS grant program had not been successful. And I cannot think of any program that has been more successful.

I know in my hometown, we have had the opportunity to hire a lot of additional policemen. The crime rate has gone way down. These are community police officers. They have to be out on the street.

They also suggested that somehow there was a lot of strings attached by the Federal Government. It has not been that way at all. Basically the only requirement is that there be some local match to pay for the police officers, and that the police officers, you know, have certain benefits and that they serve in the community policing capacity. In other words, they cannot stay in the headquarters. They have to be out on the street, I think maybe in police cars or on the sidewalk, but out there with the community.

And it has been fantastic, the number of people that have been hired around the country and the impact on the crime rate. It has gone down significantly. And all the Federal Government really does is to provide the funding, and the communities are clamoring for this. So the notion that somehow that was not successful and we should not model it on the COPS grant, that is absurd. That is a perfect model.

I yield to the gentlewoman from Michigan.

Ms. STABENOW. I thank the gentleman. I am very pleased to be with my colleagues tonight. I wanted to at this point indicate that when talking about the COPS Program, if I might just put a plug in for our colleague from Connecticut, JIM MALONEY, who has been working very hard to expand the COPS Program to include school resource officers, which is another part of our education program, working on safety in the schools, and I have been very pleased to work with Congressman MALONEY, who has been successful in placing additional dollars into the budget to expand the wonderful COPS Program to allow those same officers that are trained in mediation, prevention, working with young people, being able to make those relationships between the neighborhood and the school to be able to bring that into the school.

I know I have colleagues here that have been waiting here to speak this evening, but I did want to mention that it is I think noteworthy that our democratic colleague, JIM MALONEY, has been working very, very hard on this issue. And, if I might also indicate that as we look to the closing days, I cannot think of a more important message to send to children in terms of our belief in them and their future, but to provide them with safe, clean, modern schools, with teachers that are prepared, with math and science labs that are of high quality, with technology, computers that they can access the Internet in a safe way. We have the opportunity in the remaining days of this session to provide our children with a very important message about our belief in them and the importance of their future.

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Mr. PALLONE. I know that the gentlewoman has been a leader in pointing out the need to upgrade, if you will, schools so that they have computers and high-tech equipment and that type of thing. Just give us a little information on how important that is and how this modernization program could be used for that, because I think most people just think we are talking about bricks and mortar. It is not just that.

Ms. STABENOW. Mr. Speaker, we are definitely talking about really two phases. One, you have to have buildings that are modern enough to be able to be wired. We have schools around the country where we could not begin to wire them for the Internet because the walls are falling down. They do not have the ability to be connected.

But if they do, and in my district, through volunteer efforts, because we have not been able to get the support from the government to partner with us, we have been moving ahead with private sector partnerships through Net Days, wiring schools with the private sector, and so on. We want the Federal Government to be a partner in that, as well, so we can reach out to those schools who have not been able to be successful in wiring schools.

The point of all of that is to make sure that our classrooms look like the workplace. Right now my daughter just graduated from high school last year. Her classroom in Lansing, Michigan, is an excellent school, but a school that is an urban older school, an older building. Her classroom looks much like it did when I was in school, and I will not say how long ago, rather than looking like the workplace that she will enter. We know that we want our children to be coming into a classroom that is preparing them for what they will face in the workplace, the kinds of equipment, the kinds of technology.

I want very much for my children to be able to access the Library of Congress, or to be able to learn a foreign

language, and speak to children in another part of the world in that language. How much more exciting that is. There are safe ways to provide access to the Internet for children that allow them to open up history, to study art by going to the Louvre through the Internet; wonderful opportunities to open up the world of knowledge.

That is what we have the ability to do right now. We need to make sure that not only children who can afford to have that technology at home have the world open to them, but that every child in every neighborhood school has that, as well.

So we have been working, as Democrats, to provide that structure, to make sure that that technology is there, that teachers are prepared, that they have the professional development tools, that the computers are there, that the knowledge is there, and that it is safe. We know that there are also issues of predators on the Internet, and we have also been addressing that as well to make sure that that is safe.

But in the end, we know our children will walk into the workplace where every single job they will face will involve a computer. We do them a disservice if we do not give them the ability and the sense of comfortableness of working with that equipment and working with that technology in our school buildings so they are truly prepared.

Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman. I think it is very important that we point out that this modernization money can be used for that type of purpose.

Mr. Speaker, I yield to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, let me first congratulate all of the Members for taking out this special time to talk about the need for education.

I was in my office, and just to listen to what the gentleman was saying, we would think this was a developing country where the poor were just begging for education and opportunity and access to job training. We never would think that this was the world leader in trade, or one on which all of the industrialized countries are depending. We would never think that we were the farthest out there in technology.

We would think that what we are talking about would be a part of our national security, a part of what was necessary for the health of our great Nation to continue to provide the international leadership that we do, and improve the quality of life for our citizens.

Yet I was thinking, if we were talking about increasing the Federal penalties for any crime, or the death penalty, or building more prisons, we would not have to be here late at night, because we would know that these things somehow our Republican friends believe is part of government, that it is a role that we should play, even though most crimes are delegated to the States. Yet, we find that almost every State type of crime is being federalized, until our Federal prisons are bursting at the seams.

When we first saw this Contract With America, they were saying that the Federal Government ought to get out of everything: ought to get out of health care, ought to get out of Medicare, ought to get out of social security. Of course, education was not even there, because public education they truly believe we should not be involved in, just provide incentives for the private sector to work its will.

I tell the Members this, as we look and see that this great Nation of ours has 1.5 million people locked up in jails, more than any other per capita of any Nation in history, and certainly today, and then we evaluate and get the profile of that prisoner, and see that he or she never really got an education, never had a firm foundation, never had the options for a decent job or a dream or to assimilate into society, and we take a look at the average drug addict or those kids that are getting pregnant, they are not the ones who have had the dreams and hopes that they would have an opportunity in this great Nation to become a part of the middle class system.

This number continues to grow, and the prisons continue to be built, and always at the expense of our educational institutions. If we go into any State budget, we would see the relationship between the decrease in the money for education and the increase in the money for incarceration. It just seems to me that whether we are Republican or Democrat, that we should not have to say that we have to stay here until we get more teachers, that we have to stay here until we modernize our classrooms. It seems to me that we would say it is a part of the American dream. It does not have any label on it. We are all winners when people get a better chance to be more effective, more productive, pay more taxes, and have America to maintain its leadership in the world.

If we have to stay here, how proud I am to be part of a party where we know how important it is to get elected, but we say that our kids are more important, because that is what we are here for. We are here not only to do for today, but we are here to provide a legacy.

Whether we win or lose in November, if they say, why were you in Washington so long, when you should have been back home campaigning, say, we were doing it for the kids. They deserve better than they get. I am proud to be a Member of this House where people do not have to be in the majority in order to be heard. The gentleman is doing great work.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman for that speech. There he is so much on point. I do not think we can add anything. I thank the gentleman for coming and joining us. It really makes the point about the need for public education.

I yield to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Speaker, I know the gentleman is running out of time. I will enter into the RECORD an article that appeared in the New York Daily News on Sunday, October 11, about a school that is in my district, PS 91.

The article referred to is as follows:

[Daily News, Sun. Oct. 11, 1998]

OBSTACLE COURSE

(By Nancie L. Katz)

Public School 91 has been falling down around the 1,100 students and 50 teachers who learn and work there.

Students every day have had to navigate a treacherous path around jagged holes, falling plaster, contaminated water, exposed pipes, wires and brick, and dust and soot.

Blocking part of the playground are boiler trucks—rented since September 1997 for about $10,000 a month to heat the school after coal-fired furnaces were deemed too dangerous to keep operating.

Children at recess in the asphalt play yard skirt a drain that has collected a small pool of dirty water that everyone suspects is backed-up sewage.

Pieces of plaster drop from the ceilings, drafts seep through exposed brick walls that are children's only barrier from the outdoors, and vermin scamper in through holes in the walls.

Students bring bottles of water to school because the drinking fountains were shut after gushing brown liquid.

Dust and soot cover the top two floors, and nobody knows if there is lead or other contaminants mixed into it.

Bubbling floor tiles in the hall go unbuffed—custodians and officials are afraid they'll stir up asbestos insulation underneath.

A fire alarm doesn't work.

In a city of aged and crumbling school buildings, to walk through PS 91 is to walk the halls of shame.

''It is abominable for children to be subjected to this . . . in the richest country in the world,'' said Principal Solomon Long, whose calls for help have gone unanswered for eight years. ''It is just unimaginable. I have appealed gain and again. So has the principal before me. But all there has been is patchwork.''

Until Thursday night, no one was paying attention to the horrendous conditions at the Wingate elementary school. But after the Daily News launched an investigation into how the building was allowed to deteriorate, it was temporarily closed, children were shipped to nearby schools and the building was flooded with workmen.

After surface patching, the school is expected to reopen Tuesday. Chancellor Rudy Crew now has promised that funds will be forthcoming for more extensive repairs.

The instant response follows years of worry by Long about the safety of the ''babies'' who attend PS91.

Help was supposed to be on the way over the summer. Long and District 17 Superintendent Evelyn Castro said officials promised in May that repairs would be made.

So Long canceled the summer literacy program and a federal feeding program for low-income children. Teachers cleared walls and windows and carefully packed away books and other materials.

The workers never arrived. Staff and children reported back to the same crumbling institution in September.

Yet amid all this, learning at PS 91 has gone on.

Led by Long, the school is a work in progress. Only 45% of the kindergarten

through fifth-graders are reading at grade level or above.

But that's 11 percentage points higher than two years ago. Children wear uniforms, and hallways, classrooms and the cafeteria are orderly.

Long says the school has plenty of new books and computers, dedicated staff and involved parents.

''It's the facility,'' he said.

The building opened in 1903. Three years later, a fourth floor was added, and another L-shaped addition came in the 1920s.

In 1971, an annex was added for the lower grades. It was meant to last 10 years, but is still in use.

It's the main building—mostly the third and fourth floors—that is most damaged. Since March, the board has spent more than $100,000 to wrap the school with protective sidewalk bridging—in case bricks tumble down.

But there has been nothing to protect the children inside.

Every morning, the smallest children line up in a room outside the auditorium. Last winter, the upper part of a wall collapsed. Children still walk by it everyday—past a folded cafeteria table and a rope offering flimsy protection.

''How many more pieces are going to come tumbling down on our kids?'' asked Dwayne Carrion, a parent activist with the first-grader. ''It is ridiculous that the people who sit in these offices cannot find the time or resources to address this issue.''

No children have been injured seriously, although dozens said small debris has fallen on them.

''One of the plasters fell on my head last year,'' volunteered Shadae Bowen, 10, holding a piece of Sheetrock about the size of two marbles to demonstrate her point. ''It hurt. I cried. I had to go to the doctor to see if I was okay.''

Fifteen classrooms have holes in ceilings and walls, exposing brick, wires, dust and gravel. In Norman Kravetz' third-grade class last year, students used umbrellas as protection from rain and falling plaster, teachers said.

Toilets in the kindergarten classrooms can't be used because they leak through into the cafeteria.

A fire alarm in one building section doesn't work, so staffers cannot hear drills.

Students complain of breathing problems, headaches, itchy rashes, stomachaches. Teachers speak of allergies.

And last spring there was an asbestos scare. City environmental specialists and board and School Construction Authority officials did emergency cleanup work after teachers complained of suspicious powder drifting down from rain-damaged paint.

Long said he accepted board assurances—given at a heated meeting with parents—that the building was safe.

''The parents were ready to shut the place down,'' Long said. ''They asked me at the meeting. 'What do you think?' I can't let these people down. They trust me with their babies. If anything is ever found here, the first thing parents will say is their great leader led us right to ruin.''

Adriane Riddick, the parents association president and mother of a fifth-grader, said the board's failure to shut upper-floor classrooms ''means they don't care about the kids who are up there.'' Last week, Long invited an independent inspector hired by The News into the building. The board then refused the inspector and a reporter entry—turning down the offer to allow The News to pay for asbestos and lead tests.

Fourth-grade teacher Sharon Rose-Pooser said teachers struggle to overcome the crumbling conditions.

This year, she said, she was too disheartened to try to cover the exposed brick, pipes and wires that dominate half her classroom walls.

The classrooms' coast closet is unusable because the window in it is missing, and she is afraid leaks will ruin the children's coats. Her class phoneline dangles unattached.

The window frames are so rotted she cannot hang shades. Her 30 students must keep shifting around the room to avoid the glaring sun.

''The kids look at this and they wonder about their safety . . . about whether adults are concerned for them,'' she said. ''I try to tell my students that students in the Third World and in slavery worked no matter what the conditions.''

Belanda Hobbs' fourth-graders said they didn't mind the holes in the walls. That's because Hobbs hides one 6-inch hole behind a brightly colored sign. ''Classroom Library.'' Bookshelves covered other holes and protected small feet from a yard-long, dust-filled gutter where the floor had crumbled away from the wall.

Her portable bulletin board, listing ''Key Words,'' camouflaged a jagged hole that could easily fit a child's head.

None of the disguises keep out the mice and other vermin.

''I thought of putting a carpet [over the gutter] but the mice would eat it up,'' Hobbs said.

Yards of exposed brick sprayed with asbestos encapsulant dripped down Audrey Butler's classroom walls. The wrapping around an aging pipe was slit, possibly exposing asbestos.

''I had a rash all last year,'' she said. ''My daughter begs me not to go to work.''

Lorraine Williams wipes soot every day from her fifthgraders' desks, caused by the oil-fired boiler trucks parked beneath her windows. Four students have asthma.

Children in Jeffrey Garrison's fourth-grade class showed a reporter rashes on their necks they said were irritated from dust.

''I feel scared because something bad might happen,'' said Crystal Myrie, 9. ''Somebody could die in there. The ceiling is falling down. I'm afraid I'll get cancer when I grow up.''

Parents charge the board has discriminated against the minority school because it lacks political clout. They are terrified for their children.

''We send our kids to PS 91, and the Board of Education will not give us any results until one leaves an angel,'' Carrion said.

[Daily News, Sun. Oct. 11, 1998]

CHILDREN CAUGHT IN A TANGLE OF RED TAPE

(By Nancie L. Katz)

Principal Solomon Long said he had been reporting the decrepit conditions at Public School 91 for years.

In June 1997 and June 1998, he submitted capital budget improvement plans, he said, to the school custodial service, TEMCO. Before that, he said, he filed regular reports with the staff custodian.

Under Board of Education guidelines, custodians perform moderate repairs, but major needs are reported to the Division of School Facilities.

Chief Executive Patricia Zedalis decides whether to do the work inhouse or assign it to the School Construction Authority or the city's Design and Construction Department.

In March—after 17-year-old Zhen Zhao was killed by a falling brick from a Brooklyn school—Zedalis and board officials visited PS 91. She then authorized the SCA to develop a design plan, board spokeswoman Karen Crowe said.

But Zedalis had to wait until funds were released from the city's budget for fiscal year '99, which began July 1.

In April, parents reported white dust and demanded an environmental inspection. Asbestos was found.

Workers stripped the walls of plaster and sprayed encapsulant, and tests showed the building was safe, authority spokesman Fred Winters said. He said the SCA had no funding to do further work ''because it is pointless to replace plaster or Sheetrock'' if the outer bricks and roof still leak.

SCA and board officials met May 5 with enraged parents, who told of children's health problems, including stomachaches, headaches, nausea and itching from dust.

Parents, teacher Jeffrey Garrison and Long said Bernie Orlan, the board's director of environmental health and safety, told them repairs would be done during the summer.

The only work performed at PS 91 was done Aug. 26, when the board tested for asbestos and lead, Crowe said. No asbestos was found, but lead was. Workers repainted kindergarten room 103, she said.

Crowe said the ''external modernization''—the cost calculated at $3.5 million—would go ahead, although no money was set aside for it.

Schools Chancellor Rudy Crew was investigating the entire situation, she said.

Mr. Speaker, this article is about a school in New York City with horrendous conditions, but it is not atypical. Washington, D.C. had to have its whole system close down in the fall of 1997 because it had these kinds of horrible conditions in their schools, so other urban centers have similar problems. I am certain that many rural areas have similar problems. It is not atypical to have a situation like this.

As we come to the close of the 105th session of Congress, I am pleased that at least we have forced the entire Congress, the majority party as well as our party, to focus on education. The public opinion polls show this is number one with people. At least we are in sync with the people. The people say this is the number one priority. The majority party has had to recognize it.

The kinds of conditions that are indicated here at PS 91 are the kinds of conditions we do not want to see exist in any school. It has a coal-burning furnace that was built in 1903. The walls are crumbling. In one class, four children have asthma. The custodians are afraid to clean the floors because of asbestos underneath the tiles. Every imaginable danger is there. It is not a school that we want to send children to in America.

I hope that this article should be in the RECORD as part of what we are saying in these closing days of the 105th Congress.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman. He is here almost every night relaying a message, and it is often on education. I want to thank the gentleman from New York (Mr. OWENS).

Mr. Speaker, I yield to the gentleman from Illinois (Mr. BLAGOJEVICH).

Mr. BLAGOJEVICH. Mr. Speaker, I thank the gentleman for yielding to me. Let me piggyback on what has been said about education. I happen to be a product of the public education system. I am very lucky to be, of course, a Member of Congress.

I want to repeat exactly what has been said about schools, but it is clear that a lot of local initiatives across the country in terms of school reform are working: smaller class sizes, connecting classrooms to the Internet, of course, which has so much to do with rebuilding crumbling school buildings; other issues that relate; even grade inflation. In my own experience, I can tell the Members that the D I got in algebra was a classic example of grade inflation.

There are a lot of things that are being tried at the local level, and what is lacking to complete the job is the help from the Federal level in providing those necessary resources. If we can, here in Congress, on the eve of our adjournment, do something about getting the necessary Federal dollars to rebuild our schools, I think this session will not be as much of a do-nothing Congress as it might otherwise turn out to be.

This Congress will soon adjourn, as we know. We are at the 11th hour. Absent a change of direction, we will not do anything about national priorities like rebuilding our Nation's crumbling schools, or reforming our health care system, or seizing the historic opportunity that we have, which is the first time since 1969 having a Federal surplus that we can use to help stabilize social security.

In addition to those major issues, there are other neglected national priorities that I think this Congress has failed to work on, important initiatives that relate to our fight against guns and crime. That will not see action this year.

I know that the Committee on the Judiciary has been busy lately, very busy, but I would like to raise an issue that has yet to be addressed by that committee or by this Congress. That is the issue of the growing black market, where criminals are purchasing firearms with impunity. That is at gun shows.

There are approximately 5,200 gun shows held every year across the United States. Literally hundreds of thousands of weapons change hands at these events. While most gun show participants are law-abiding citizens, enthusiasts, and collectors, law enforcement agencies are seeing an alarming number of cases where violent crimes have been committed with guns that were initially obtained by criminals at gun shows.

For example, according to a recent study by the Illinois State police, 25 percent of illegally trafficked firearms they seized were originally purchased at gun shows.

Let me give an illustration. Last May in Florida ex-convict Hank Earl Carr used a weapon he bought at a gun show to kill 4 people in a shooting spree that ultimately left two police officers and a State trooper dead. If that same Hank Earl Carr tried to buy that same weapon at a gun store, a criminal background check would have revealed his felony record, and he would have been prevented from buying a gun.

Mr. Speaker, criminals are increasingly buying guns from gun shows because, unlike retail gun stores or sporting goods stores, there are no requirements to provide identification, no requirements to perform background checks, and no requirements to impose waiting periods. In all too many cases, Mr. Speaker, criminals can buy any number of guns with no questions asked.

This Congress could have extended the same safeguards and recordkeeping requirements to gun shows that we already require of everyone else, but this Congress treated this issue like so many other issues, and this Congress on this issue did nothing.

Mr. Speaker, 40,000 Americans die every year of gun violence in the United States. Our Nation's children are 12 times more likely to die as a result of gun violence than are children in any other industrialized Nation. It is probably too late now, on the eve of our adjournment, to address this issue, but I hope that in the next Congress, whether it is the Democrats or the Republicans who control this process, we can focus our efforts on matters like these that affect people in our neighborhoods and in our communities.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman. I know that one of the biggest concerns with regard to guns now is guns in the schools, so it relates back to our concern about keeping the schools safe, as well.

There are many things that the Republican leadership has failed to address. I think the gentleman brings up one of them. The main thing that I think we are trying to say tonight, and maybe I can conclude with this, is that even though there are only a few days, perhaps, left in this Congress, there is enough time to provide funding for the school modernization, and also for the 100,000 teachers to reduce class size.

The effect of that is to basically create schools that are better, more disciplined, with a safer environment, a smarter environment. We are just saying, as Democrats, that we do not want to go home until this is addressed.

No one can tell us that there is not the opportunity, because as the gentlewoman from Connecticut (Ms. DELAURO) said, the Republican leadership could pass this legislation and get this budget and appropriation bill signed into law with the money for the school modernization program, with the funds for the 100,000 extra teachers. They cannot tell us that there is not time left to do that.

If that is all we accomplish in the next few days, we will have accomplished a great deal. Even though we have had this 2 years of a do-nothing failed Congress, at least we have something that we can go back to our constituents and say, look, we accomplished this. As the gentleman from New York (Mr. RANGEL) said, it really is our future that we care about. Everyone here tonight is expressing the concern for children and for kids and for the future of this country, and the equal opportunity that we so cherish.

I just want to thank everyone again for being here this evening.

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Mr. GILMAN. Mr. Speaker, it is with deep regret that I ask our colleagues to join in wishing a fond farewell to a good friend, an outstanding Member of Congress, our colleague, BILL PAXON from the 27th District of New York on his retirement from office at the end of this session.

First elected in 1988, BILL PAXON has certainly left his mark, not only on this body but upon all of us for whom he has been an outstanding friend. Congressman PAXON is departing this year after his fifth term, but his legacy will be with us for many years to come.

BILL PAXON attended Akron Central Elementary and Junior High Schools, Saint Joseph's Collegiate Institute and Canisius College, from which he graduated in 1977. Friends and family members say he had an interest in politics and public service from the an early age. But he wasted no time in seeking office upon his return home from college. At the age of 23, BILL PAXON was elected the youngest county legislator in the history of Erie County, New York.

He easily won an open State Assembly seat in 1982, and was a logical choice to succeed Congressman Jack Kemp, when Jack Kemp left this body in 1988.

On the Committee on Commerce, BILL PAXON earned a reputation for his interest in the concerns of his district, in western New York, and of American industry. On the Subcommittee on Energy and Power and the Subcommittee on Finance and Hazardous Materials, BILL PAXON has been a champion on behalf of the health and well-being of all of us.

BILL PAXON made his greatest impact as chairman of the National Republican Congressional Committee from 1993 to 1996. In that capacity, BILL PAXON worked hard to recruit outstanding candidates for our party throughout the Nation and to steer them towards adequate funding.

BILL will always be remembered for bringing romance to this chamber, having proposed to our colleague, Representative Susan Molinari of Staten Island on the very floor of this chamber. And while we miss Susan greatly, we fondly remember her good contributions to the Congress.

Now that BILL and Susan have chosen to pursue careers in the private sector, we wish them and their children the best of luck in all of their future endeavors and remind them that our hearts will always be with them.

To BILL, we bid a fond farewell and I thank you for bringing idealism to this body, and a special thanks for making this chamber a better place in which to work for the good of our Nation.

Mr. Speaker, I am pleased to yield to our distinguished majority whip, the gentleman from Texas (Mr. DELAY).

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding. I really appreciate the Dean of the New York delegation for taking out this special order for what is truly a trend setter and a person who has really turned this place into a dynamic institution. I appreciate the New York delegation.

Mr. Speaker, I rise today to pay tribute to a man who I think is one of the most energetic, the most enthusiastic, and the most effective Members Congress, my good friend BILL PAXON of the great State of New York. And for a gentleman from Texas to say that takes a lot to bring a New Yorker and a Texan together and to become as close friends as we are.

BILL, as we all know, is retiring from Congress at the end of this year, and he is going to pursue some private sector opportunities. We wish him the best. BILL's departure, quite frankly, is a great loss to this institution. But it is also a great gain for his family and for the private sector, because BILL PAXON did more to reform this Congress than any other person in this House.

He was the principal architect of the strategy to change control of this House, which had been in one party's hands for over 40 years. Once we were able to gain a majority, we were able to reform this Congress in so many significant ways. We were able to balance the budget for the first time in a generation. We cut the size of government. We made Members of Congress even follow the laws of the land.

We reformed welfare. We cut taxes for the first time in 16 years and we reformed this Congress in ways that have improved its popularity with the people to its highest ratings in history. And this all happened because of the hard work of BILL PAXON.

As we all know, BILL was first elected to Congress in 1988. And having accomplished all of this, one would think that he had been here forever. But we all know him as our own personal political junkie, because at the age of 23, he started his political career. Mr. Speaker, 23 years old is when he started in the Erie County legislature. He later went to the New York State Assembly before starting his distinguished career in the U.S. House.

But BILL PAXON is a visionary. He sees America as a Nation of opportunity, a Nation with boundless optimism and a can-do spirit. And it was this can-do spirit that BILL PAXON took over to the National Republican Congressional Committee with the express goal of achieving the first Republican Majority in the House in 40 years.

Nobody, other than probably NEWT GINGRICH, thought it could be done. Nobody thought that PAXON was serious in his efforts. And he took an NRCC that was pretty much broke, heavily in debt, demoralized, and pulled it together, showing his administrative skills as well as his political skills. BILL PAXON proved all the doubters wrong by using his energy to help Republicans win that majority.

Now BILL PAXON has decided to leave the House and pursue other opportunities. Spending as much time as I have with BILL, I think I know his true motivation. It is to spend more time with his wife and our former colleague, Susan Molinari, and their fantastically beautiful Susan Ruby Paxon. We call her ''Suby,'' and who could blame him.

BILL, let me just say we will miss your optimism and your spirit and your vision of the House of Representatives. As a matter of fact, we already miss them. We wish you the best of luck in the future in your future endeavors. But let me just say that those people that are about to meet BILL PAXON in the private sector, there is, when you develop a relationship with BILL PAXON, when you develop a friendship with BILL PAXON, you will have on your side one of the most loyal individuals I have ever run into. One of the closest friends that I have ever had. A person that will stand by you through the worst of times as well as the best of times. A man of incredible honor and integrity and character. A man that young people should look up to as a role model, as most of us have.

We are going to miss you so much in this chamber, BILL. And we hope that you will continue to give us the counsel and the friendship we need, no matter where you go. I greatly appreciate your friendship and will cherish it forever.

Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN) for yielding to me.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his eloquent remarks and we certainly join with him in wishing BILL PAXON good luck in the days ahead.

Mr. Speaker, I am pleased to yield to the gentleman from California (Mr. COX) the distinguished chairman of our Republican Policy Committee.

Mr. COX of California. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN) for yielding to me.

I am particularly pleased that Congressman PAXON is here with us tonight in the chamber. It is something of a tradition as Members retire and we have an opportunity allowed them on the floor of the House, that they are forced to sit here and listen to us talk about them. But it is especially nice for those of us paying tribute to be able to look you in the eye tonight and tell you from the heart how sincerely we are going to miss you here and how much we have appreciated the opportunity over the last many years to work shoulder to shoulder with you.

It was 10 years ago that BILL PAXON and I, and 16 others, were elected as part of the same freshman class. And 10 years goes by rather quickly. We did not know at the time when we set out to exercise in our own way what degree of influence we might over the Congress that one of us would become the leader of our National Congressional Campaign Committee and spearhead an effort to change the management of Congress for the first time in two generations.

But that was BILL PAXON's fate at the time, and certainly now in retrospect we know how much that means to our country. It certainly meant a lot to each of us to participate with him in that venture.

I have been in politics only 12 years; 10 here and 2 downtown working with Ronald Reagan in the White House. That makes me a piker compared to BILL PAXON, because he has been an elected official for more than a generation, representing Erie County in the legislature as its youngest member at age 23. He then went on to the New York State Assembly where he was elected in 1982, 6 years before we were seated together in Congress.

So by the time BILL PAXON started out in the United States House of Representatives 10 years ago, he was already an accomplished legislator and an accomplished legislative leader.

It is not surprising, therefore, that he was tapped to run the National Republican Congressional Committee, although infusing the NRCC with new management at that point might have been viewed as much as a desperation pass as a sure thing at the time, because it was $4.5 million in debt. Fortunately, we had strong leadership at the helm at the Republican National Committee where Haley Barbour was in charge, and Haley and BILL PAXON working together were an amazing team to behold.

In particular, I think because of BILL's energy and his dynamism, Haley was taken in and became a big supporter of what was going on there. I served on BILL's Executive Committee and watched as he pared down what had, over many, many years become a rather large staff that we could not afford, into a real lean organization that went out and got the job done for our candidates across the country and for the American people.

The result, of course, was not only the first Republican Majority in the U.S. House of Representatives in 40 years, and the first back-to-back majorities in 68 years, but the first balanced budget since 1969. It is just an extraordinary thing to think one can take an organization as big as the Federal Government, not just the NRCC but the Federal Government, and turn it around from hundreds of billions in projected deficits to surpluses now as far as the eye can see. But that has been the consequence of BILL PAXON's leadership in the United States Congress.

Probably the most important moment for BILL PAXON in the House of Representatives was not the passage of the Telecommunications Act, which he shepherded through the Committee on Commerce where we served together; not the passage of the first tax cuts in 16 years, which he like his predecessor

in Congress, Jack Kemp, so strongly championed; but, almost certainly, it was when he proposed on the House Floor here to Susan Molinari, another one of our classmates, and naturally she was as impressed with him as the rest of us. Unlike the rest of us, however, she joined with him in a very special partnership which a year later resulted in an extraordinary marriage and an extraordinary union between two people that are as close to us in congressional family as anyone can possibly be.

But seeing them married together just makes us all thrilled every time we think about it. And as has been mentioned earlier, we are now coming to know your daughter, Suby, Susan Ruby, almost as well as our own kids because we get a chance to see her around the House of Representatives.

I think of that time in San Diego when you were out in California, when all of us were out in California on the Republican side, for the National Convention, the Republican National Convention, and your wife was the keynote speaker to the country at that National Convention.

□ 2200

And all the attention was focused on her, she thought. But the cameras moved to you feeding Susan Ruby with a bottle and, as a dad myself, I know exactly what that is like. We have a new one at home, just a month old, and 5-year-old and a 4-year-old. I am sure as our kids grow up they will get to know each other, I hope as well as our moms and dads know each other.

BILL PAXON is unlike anyone in this Chamber, unlike anyone in the Congress that I know for one simple reason. Despite all of the responsibility that he has taken, despite all of the energy and effort that he has put into it, despite the superhuman effort and results that he has achieved, he is always equanimous. It is hard to find an example of BILL PAXON being anything other than upbeat and telling us that we can do it. We can get the job done. And think back over a decade, that is just extraordinary.

There is not a day that goes by here when there are not 6 good reasons to be down in the mouth because somebody said something that they should not have said, a reporter printed something that she or he ought not to have, that we lost a close vote somewhere, that somebody was speaking behind our backs. That is what politics unfortunately entails every day.

Yet every day, as Ronald Reagan used to say, when he told the story about the boy who was told to clean up all the manure in the stable, and the boy says, there must be a pony in here somewhere, there is always something good if you are willing to find it.

BILL PAXON has found day in and day out all of the good that we can find in ourselves and all of the good that Congress can produce, and the result truly is extraordinary. I think as we, as Bill Clinton is fond of saying, cross this bridge to the 21st century with surpluses now in hand, with tax relief now a real prospect because we do have the government's fiscal house increasingly in order, with jobs increasing, with the United States as a rock of economic stability in a world that is having a lot of economic troubles, we can say that some of this is historically inevitable, that America is just so strong that these things are bound to happen, but those of us who work in government and in the legislature and the executive branch know that it ultimately boils down to a few people. It matters what each of us does when we get up in the morning. It matters whether we succeed instead of fail. It matters if we can motivate our colleagues and our countrymen to join in an effort to make America a better place. And I know that even though, BILL, you are retiring, that you are only retiring from this particular aspect of your very public commitment to public service. And whatever you do in the future and whatever your remarkable family does in the future, I know that America is going to benefit from it.

We have all personally benefited from knowing you, and I am very, very proud to have served with you and even more proud to know that we will be friends in the years ahead.

Thank you very much for brightening our lives and bettering the country as you have done. We look forward to hearing even more and better things from you in the years ahead.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his eloquent remarks.

I yield to the gentleman from Staten Island, New York (Mr. FOSSELLA), another member of our New York delegation.

Mr. FOSSELLA. Mr. Speaker, I thank the distinguished gentleman from New York for yielding to me.

I am proud to join my colleagues, Mr. COX and Mr. DELAY and Mr. GILMAN, in saying a fond farewell to BILL PAXON, although as CHRIS COX just stated, I do not think BILL is going far.

Those of us who know BILL, both on a professional level, can appreciate his energy, his optimism, his ability to always get things done, but more important to get them done right. But there are those of us who are fortunate enough to know him on a personal level. And in business, like any other business across the country, if you can somehow appreciate someone as a professional and appreciate someone as an individual on a personal level, you have gotten to know the best of that person. And I do not think there is a Member in this House that cannot look to BILL PAXON and see a man of honor, a man of integrity and a man of character.

In a business, particularly politics here, where a handshake does not often mean a lot, but I think in the rest of America a handshake still means a lot, it is nice to know that we have a guy in BILL PAXON where the handshake still means something. That goes to the root I think of what BILL is all about.

You look at BILL, you see a sense of someone who is principled and someone who really loves life. But more importantly, I think it has been said already, and it will be said many times tonight, that he loves his wife, Susan Molinari. Susan and I are friends, and I could not think of a better person that she can share her life with than BILL PAXON. And each of them together truly adore and love their daughter Susan Ruby, who is so affectionately called ''Suby.''.

Susan Ruby will have another daughter, another sister to play along with, and I can understand, as someone who is a father of two boys, how much BILL desires to spend more time with his wife and his daughter, and soon to be two.

We have a mutual friend in his father-in-law, Guy Molinari, his mother-in-law, Marguerite, who are back on Staten Island right now. Guy served in the House before Susan. And in a way, if it was not for Guy leaving this House to run for local office, the chances are that you would never have met Susan. So in a way Guy running for borough president allowed you to marry the love of your life.

I am sure they are all going to see this or hear of this one day and really come to learn and come to know how much BILL PAXON has made a difference in this country. Not too long ago, I have only been in this House a year as you know, BILL. I probably would not be here if it was not for you. You helped a great deal in my campaign for Congress to replace Susan here. And indeed the people of Brooklyn and Staten Island have given me a great honor and privilege to serve them. But I would not be here if it was not for you.

I think there are a lot of Members of this body who would not be here given the chance to serve this great country. A few years ago there were people who were giving up hope in this country. The ship of government was clearly heading in the wrong direction. The notion that government had all the solutions, that taxes were too low and government needed to impose more taxes and the welfare state, well, let us make it bigger and our military, well, that can wait, we have other priorities. It is easy to sit back and do nothing.

But what separates the truly successful, the people who really love this country and want to improve this country and speak to the next generation, we hear a lot of rhetoric about those who really care about the next generation, but it was BILL PAXON, along with the Speaker, not the Speaker at all, but NEWT GINGRICH and all the members of the Republican Party who said, ideas matter, ideas matter. This country should not be lost. The American people have given too much to give this country down to that notion that government has all the problems.

But he went out and he recruited candidates, and he worked his tail off day in and day out, year after year to bring a Republican majority to this House. People thought it was impossible, probably a few weeks before the election people thought it was impossible. But he proved them wrong. And he went out there with his idea that this country is the greatest in the history of the world. And frankly, as far as I am concerned, there is nobody like BILL PAXON. Most of all, I am proud that he is my friend.

And I can only wish him the very, very best. I know we are all lucky in our own little way to have known him for this brief period of time, but we are also lucky to know that we will continue to endure a friendship that will last hopefully forever.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York (Mr. FOSSELLA) for his eloquent remarks and for his insight on the family of BILL PAXON. I thank him for mentioning your father-in-law Guy Molinari, who has helped to rear this great family and to be supportive of BILL and as the years go by and of course to raise Susan who we sorely miss.

Mr. Speaker, I yield to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. I thank my good friend from New York State and, Mr. Speaker, I rise to remember and to celebrate the contributions of my other colleague from New York State.

Mr. Speaker, Mr. FOSSELLA spoke of it a second ago, the realization of what transpires here in the people's House before we are accorded the great honor of the doors opening and our hand being raised in taking the oath of office to join the 434 others as Members of this people's House. And I can recall following the 1992 elections, when many of our philosophy despaired a great deal, there was a ray of hope, not only as that adversity engendered determination, but also because here in this Federal capital there was one who was willing to step forward, to take on considerable political challenges, to shoulder considerable challenges of romance. And I can recall reading the press accounts, Mr. Speaker, when our good friend, Mr. PAXON, was courting Susan and made history proposing to her on this floor.

Now, according to the press accounts, Mr. Speaker, a Member from the other side of the aisle congratulated the couple and uttered what I believe will be proven to be a very forlorn wish because he hoped that their progeny would all be little Democrats. And I do not believe that our friend has yet to school Ruby in all the intricacies of civics, given her tender age, but somehow I doubt even through those years of rebellion that will strike inevitably in adolescence that she will embrace another partisan philosophy.

But I mention that because, Mr. Speaker, we rise in celebration of our friend who made history here in so many different ways, not only with the tip of the rhetorical cap to cupid but also in the way this institution operates.

I can recall the visit to Arizona, two visits in fact, but the second one stands out in my mind of our colleague and his bride, and it was at a time when our youngest was still in the playpen and would be in our campaign headquarters. I can remember introducing them to so many folks who walked the precincts, so many folks who made the phone calls, so many folks who, Mr. Speaker, we cannot help but describe as a miracle, people of both political parties find these incredible folks who are willing to give of themselves and their time to volunteer in campaigns. And so it was that day.

I can remember pulling out the playpen saying that my colleagues from New York would soon need it. But before they added Susan Ruby to their household, they added a class of 73 new Members to this institution. And in so doing changed the balance of power within this the people's House in a very healthy way, I would submit, Mr. Speaker, in a historic way, in a way in which many now are just coming to appreciate.

□ 2015

Mr. Speaker, I sit and wonder when I think about those who have gone before in this American parade, those who have made history.

Mr. Speaker, I think there is a very human equation at work where preparation meets circumstance to make history. So it has been for our colleague, the gentleman from New York (Mr. PAXON), rising to the challenge at a time when our political party was out of power, both in this institution, as has been well documented and referred to seemingly an infinite number of times.

At the other end of Pennsylvania Avenue, he stepped forward in the midst of that adversity because he was well-trained by his dear late father who instilled in him a commitment to public service.

But also, Mr. Speaker, to the machination so vital to public service, and I use that term machination not in a pejorative sense, but just in simply the list of logistics and how we get from point A to point B and how we put to work those miraculous individuals who become volunteers in our campaigns and how we are able through that framework to influence public opinion and win friends and gain public office as he did at a comparatively tender age, as it should be noted.

The years have been none the worse for wear to our friend who chooses to leave the people's House at still a relatively youthful age; and yet, Mr. Speaker, he will always be remembered in this institution among Members of both parties as our majority maker. Because while others engendered the vision, perhaps, he put his shoulder to the wheel. He encouraged candidates. He was willing to travel across this country. He was willing to summon and marshal the resources.

Ultimately, Mr. Speaker, we remember him for his contribution to history, not only in helping to make our majority, but in helping us preserve it. Yet, as my newest colleague from New York State noted, despite those considerable achievements that will be recognized by historians and political scientists and those who share our allegiance both to the country and to the party we represent, there is a very real personal quality and unique spirit and bearing that we will miss in this Chamber, but that we will always champion no matter his future endeavors in the public arena or in private business.

So, Mr. Speaker, it is in that spirit tonight that we come to honor BILL PAXON, our friend from New York, who succeeded Jack Kemp in this people's House and who will, for years to come, cast a long shadow and offer a standard that will be difficult to meet, much less exceed.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Arizona (Mr. HAYWORTH) for his very eloquent remarks in support of this special order.

I would like to note that the gentleman from New York (Mr. SOLOMON), the distinguished chairman of our Committee on Rules, wanted to be present tonight, but regretted that, due to illness, he had to return home at an early hour and is submitting remarks for the RECORD.

Mr. Speaker, I am pleased to yield to the gentleman from New York, Mr. PAXON.

Mr. PAXON. Mr. Speaker, I am very deeply appreciative of my colleagues, my dear friend and our senior Member of our delegation, the gentleman from New York (Mr. GILMAN), my very good friend the gentleman from Texas (Mr. DELAY), the majority whip, and the gentleman from New York (Mr. FOSSELLA) and the gentleman from Arizona (Mr. HAYWORTH) and the gentleman from California (Mr. COX), my classmate from the class of 1988.

I was hoping I was going to get through this week without the requiem mass here. I have served in three legislative bodies, and I have avoided in the other two having to go through this. And I really do, this is not false humility in any way, shape, or form.

I love being a legislator because we are part of a team and it is fun and it is exciting and we get to know a lot of folks and we get to work with a lot of folks, but we move right on.

When we move right on, someone else comes in right behind us. There is seamless transition in these bodies. We are gone and forgotten very quickly. So I appreciate the fact that my colleagues are doing this. But also I tried to avoid this because I really do believe that we need to look to the next person coming in; certainly celebrate the good times we have had and the enjoyable times and things we have been able to do, but to look down the road to the next folks.

That is what I have enjoyed about this body a lot, is the next group and the next group coming in to regenerate the institution.

I want to thank my colleagues for doing this. I want to particularly say, if I could take a minute or two, what a great honor it is to serve in this greatest legislative body in the history of the world. I do not think there is any question that the people's House of Representatives of the United States of America is more than just the legislative body for this country. It is the legislative body of the world.

I know that my colleagues that are sitting here would agree with me. Walk out into the adjoining areas, the Statuary Hall and the Rotunda of this Capitol. Every single day, people from all over the world are walking around and looking at this as literally a citadel.

It is a holy place in so many ways in terms of the ideas and the traditions that we have been able to take to the world. To have a chance to occupy a seat out of 435 in this body for a short period of time is an honor the likes of which I could never, ever wish for.

I can tell you that I dreamed about it as a young kid. The gentleman from Arizona (Mr. HAYWORTH) referred to my dad. My dad Leon Paxon was a public official long before I was born, served as a local town supervisor, and that is a judge in our county.

My mother and my father met just as my wife and I met. My mother was a clerk to the board of supervisors in Erie County, where she met my dad. My wife and I met in this legislative Chamber.

I am going to keep my daughter away from the kids of the gentleman from New York (Mr. FOSSELLA), or else we are going to continue this tradition forever. It has got to stop. Somebody has to get an honest job in this operation.

But I am very proud of the fact, at a time when many people call into question public service, the fact that I am a third generation public servant. My grandmother Ruby Paxon, who my daughter is partly named after, a real focus of my life on my dear grandmother, who passed away at 107 a couple years ago. She, after the women gained the right to vote, became the first woman to run for public office in Erie County, New York, as a Democrat, I am embarrassed to say. She switched parties down the road. But I am very proud of her. She ran at a very difficult time, back in the 1920s, then served as librarian, a public servant.

My mother and dad, of course. As the gentleman from New York (Mr. FOSSELLA) pointed out, on my wife's side, her grandfather was an elected official, her father. Now to be able to follow along is, I think, very important for me. It also says that we do believe in public service. We have been very honored and blessed by it in our families.

I just want to make one other general comment and a couple words of thanks. I have dreamed of being here for as long as I can remember. In the 1960s, 1968, when I was a freshman at St. Joseph Collegiate Institute in Buffalo, New York, a freshman in high school, it was not a time where most kids had Nixon posters in their locker or read the National Review.

I did. I was a little odd, no, I was a lot odd at take time. Out of 130 guys in our Catholic boys high school, 128 registered to vote that year. About 120 registered Democrat, and it was myself and another guy, I think.

I believed then in the principles that were so beautifully espoused during his tenure by Ronald Reagan, the greatest hero I have ever had in terms of political life. The beauty of this country, our standing as a beacon of hope, freedom and democracy, opportunity, and liberty in the world. That is what I think this is all about.

We stand in this Chamber, and sometimes to the viewing audience around the country and around the world, it looks like we are very contentious. Most of the times, it is a battle of ideas. It has nothing to do with personalities. That is what our Founding Fathers wanted. I believe that that is what is important to the future of this country.

Back when I was in my teens, that is what I watched and followed in the Congress of the United States, because I do believe that, if we stand up and talk fairly and freely, openly and honestly about different views and different ideas, we can make an impact.

In our case, it took us a long time, from the days of Barry Goldwater in the 1960s, to reach that moment when Ronald Reagan won and then this whole revolution came full circle in 1994, when the gentleman from Arizona (Mr. HAYWORTH), the gentleman from Virginia (Mr. DAVIS) and so many others of our colleagues were elected in that important year.

My friends and my colleagues, this is not anything disparaging on our colleagues across the aisle, Democrats, many of whom I consider to be dear friends. This was about, in 1994, trying a new set of ideas in this country. I am proud of the work that our Republican majority has done and that this Congress has done many times across the aisle in moving those ideas that many of us fought for for decades and decades now into the center of the American political arena.

We have so much more to do. There are so many more important tasks before of this country that I look forward to watching the Congress doing in years to come. I look forward to doing something I have never done. Twenty-one years that I have been in office, I have never been able to call up elected officials and tell them what I think they should do. Starting in January, I intend to do that. But I intend to do it with a smile on my face, because I believe that this Congress is in the hands of men and women who care so deeply about the future of this country and are going to do great things to make these things happen. I do leave with a great sense of pride in our accomplishments and a great sense of hope in the future.

I would also be remiss if I did not say a few thank yous. In addition to my friends who are doing this wonderful special order and who have been so kind to me over the past few weeks and months, I want to say thank you to the wonderful staffs that have served the 27th District of New York for my 10 years in Congress, headed by Maria Cina, Michael Hook, and David Marventano, my chiefs of staff.

These are folks who work tirelessly for those folks back in Western New York and the Finger Lakes. I also want to thank those people. In 1977, there was a 22-, at first when I was running, and then 23-year-old kid who was campaigning, and they had the misfortune I guess in some cases to vote for me, and some did not vote for me and never have, but they have been friends in spite of that, folks from the county days, the State legislative days, and now the hundred cities and towns I represent in the Congress.

It is the most beautiful part of America. I have had the chance to be in every, almost all, I think 48 of the 50 States, and about 300 some congressional districts. I have never, and with all pride, I know we have pride in our districts, I just think that Western New York and Finger Lakes is about the most beautiful spot in the world.

The friends that I had back at home will always be friends. Those are people, as I have said, some who have never voted for me, who come to my town meetings and browbeat me every month, and yet we have a wonderful relationship all these years.

I also want to thank my family and my friends who have indulged me all these years that I have been in public office, particularly my mom back in Western New York, my in-laws, Marguerite and Guy Molinari and all of my various friends and relatives down through the years.

I have been a pain when it comes to politics in government because I believe so strongly in this cause. I hope they will forgive me for the many times I crossed the line, but I did it out of the sense that this is an important responsibility. I really do believe that and mean that.

I also thank very much the Speaker of this House. NEWT GINGRICH, as the gentleman from Texas (Mr. DELAY) said earlier, believed in us before we believed in us. He saw opportunities to take the feelings of the American people and to translate it into political activism in winning this majority.

I had the chance to be campaign chair, and it was and will always stand as the most unique and important political moment nonfamily moment in my life to be the chairman of the campaign. That is the vocal and also the figure head of the organization. It was NEWT GINGRICH whose vision it was

that we can win this majority. Every single day when we did not believe, he kept pushing us to make the changes that we needed in ourselves to make this come about and make this happen.

There are many, many others. I will not go through them all today. Many have been alluded too, Jack Kemp and Barber Conable, my predecessors in Western New York, dear friends, great leaders. Tom Reynolds who is my first campaign chair who followed me to the assembly and seeking my seat in Congress today. The gentleman from Virginia (Mr. BLILEY) who has been chairman of the Committee on Congress which I have had the honor to serve these past 6 years, and just a remarkable gentleman in every sense of the word.

□ 2230

I would just leave with this thought. People wonder, why do you leave? Why does anybody leave? Members say this all the time. This is the greatest institution. It is the greatest fraternity. It is exciting. There are great challenges every day and there is a great future for this country that we can help shape.

I am leaving basically for four reasons. First, I think what I have said today, I am absolutely confident we are on the right track; that this body and this country are moving in sync for a change in the right direction. I leave confident knowing the next century is going to be another great American century because of what the American people want to happen translate into action by this Congress.

I leave, frankly, because I believe in term limits. When I was elected, I did not. I have come to believe in them. I think there is a time to move on. It is better to leave close to or at the top of your game then to sort of waste yourself out here. In my case, I felt that this has been the top of my game; that period in the leadership, that period that I had a chance to help work on those campaigns, and now I wish to step aside before I have overstayed my stay in my mind.

The third reason, of course, is we love to talk about being in the private sector, particularly as Republicans. However, many of us do not want to go out into the private sector, and I have not for 21 years. It is time to do that, to live under the laws we passed.

Last, but first and most importantly, I leave with something that overarches everything, that sense of family. It was noted that just over here in the corner where some of our Florida Members sit is where one afternoon I called my dear friend at the time, a woman who, we had been dating for a number of years, Susan Molinari, the love of my life, and I said I have to talk to you about something. A defense bill was on the floor. I said, ''Come here I have to talk to you.''

We got in the corner and we started talking, and I proposed to her. Every time I turn on C-SPAN and watch this Chamber, I will remember that moment. I will remember it even more because she said, yes. I cannot believe she did.

I waited until later in life to start a family. We have that beautiful daughter of ours, Susan Ruby, who is just the most magnificent little girl in the world. I have the most beautiful wife one would ever want or could ever ask for, the most perfect spouse, and we are going to have another child in February.

It is time to put family first for us, and the way we lead our lives it would not work staying in this body. It would not be fair. My wife left last year. I am going to follow her out. We are going to enjoy being in the private sector. Most importantly, we are going to enjoy the time we can spend as our little kids grow up. These are precious moments and ones that I do not wish to miss.

I, again, just want to say to all of my friends and colleagues, thank you for indulging me here, to have this chance to speak. I have not often spoken. When I was in the county and state legislature, I could not shut up on the floor. Here I have tried to stay away. My focus has been elsewhere in this body.

I want to say thank you to my colleagues for taking this time out, for giving me the chance to say a few words because I was not going to speak. I would just wish you Godspeed as you continue your duties on behalf of this greatest country in the history of the world.

Mr. GILMAN. BILL, we wish you success and happiness and to all the Paxons, including little Ruby, who we watched grow up in the last few years, we wish you good health and happiness in the years ahead.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this special order on behalf of the gentleman from New York (Mr. PAXON).

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCARBOROUGH (at the request of Mr. ARMEY) for today, on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. FRANK of Massachusetts) to revise and extend their remarks and include extraneous material:

Mr. SKAGGS, for 5 minutes, today.
Ms. DELAURO, for 5 minutes, today.
Mr. DEFAZIO, for 5 minutes, today.
Ms. JACKSON-LEE of Texas, for 5 minutes, today.
Ms. KAPTUR, for 5 minutes, today.
Mr. BECERRA, for 5 minutes, today.
Ms. CARSON, for 5 minutes, today.
Mr. HINCHEY, for 5 minutes, today.
Mrs. CLAYTON, for 5 minutes, today.
Ms. WOOLSEY, for 5 minutes, today.
Mr. MCGOVERN, for 5 minutes, today.
Mrs. MINK of Hawaii, for 5 minutes, today.
Mr. ROEMER, for 5 minutes, today.
Ms. SANCHEZ, for 5 minutes, today.
Mr. DOGGETT, for 5 minutes, today.
Ms. WATERS, for 5 minutes, today.
Mr. MINGE, for 5 minutes, today.
Mrs. MCCARTHY of New York, for 5 minutes, today.
Mr. PASCRELL, for 5 minutes, today.
Ms. STABENOW, for 5 minutes, today.
Ms. FURSE, for 5 minutes, today.
Mr. FRANK of Massachusetts, for 5 minutes, today.

The following Members (at the request of Mr. SHAYS) to revise and extend their remarks and include extraneous material:

Mr. REGULA, for 5 minutes, today.
Mr. MILLER of Florida, for 5 minutes, today.
Mr. RIGGS, for 5 minutes, today.
Mr. MORAN of Kansas, for 5 minutes, today.
Mr. TIAHRT, for 5 minutes each day, on today and October 14.
Mr. GOSS, for 5 minutes each day, on today and October 14.
Mr. WELLER, for 5 minutes each day, on today and October 14.
Mr. PAUL, for 5 minutes, today.
Mr. PETERSON of Pennsylvania, for 5 minutes, today.
Mr. PITTS, for 5 minutes, today.
Mr. BASS, for 5 minutes, today.
Mr. PAXON, for 5 minutes, today.
Mr. FOSSELLA, for 5 minutes, today.
Mr. BARTON of Texas, for 5 minutes, today.
Mr. SMITH of Michigan, for 5 minutes, on October 14.
Mr. DAVIS of Virginia, for 5 minutes, on October 14.
Mr. EHLERS, for 5 minutes, on October 14.
Mr. BOB SCHAFFER of Colorado, for 5 minutes, today.
Mr. SHAYS, for 5 minutes each day, on today and October 14.
Mr. THUNE, for 5 minutes, today.
Mr. KINGSTON, for 5 minutes, today.

The following Members (at their own request) to revise and extend their remarks and include extraneous material:

Mr. KINGSTON, for 5 minutes, today.
Mr. NEUMANN, for 5 minutes, today.
Ms. MILLENDER-MCDONALD, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FAWELL asked to extend his remarks on the RECORD and to include therein extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,108.

SENATE BILLS AND A CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1642. An act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public; to the Committee on Government Reform and Oversight.

S. 1722. An act to amend the Public Health Service Act to revise and extend certain program with respect to women's health research and prevention activities at the National Institutes of Health and the Centers for Disease Control and Prevention.

S. Con. Res. 123. Concurrent Resolution to express the sense of Congress regarding the policy of the Forest Service toward recreational shooting and archery ranges on Federal land; to the Committee on Agriculture; in addition, to the Committee on Resources for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2411. An act to provide for a land exchange involving the Cape Cod National Seashore and to extend the authority for the Cape Cod National Seashore Advisory Commission.

H.R. 2886. An act to provide for a demonstration project in the Stanislaus National Forest, California, under which a private contractor will perform multiple resource management activities for that unit of the National Forest System.

H.R. 3796. An act to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction or improvement of offices and support buildings for the Rogue River National Forest and the Bureau of Land Management.

H.R. 4081. An act to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas.

H.R. 4248. An act to authorize the Government of India to establish a memorial to honor Mahatma Gandhi in the District of Columbia.

H.R. 4659. An act to extend the date by which an automated entry-exit control system must be developed.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for this approval, a bill of the House of the following title:

H.R. 1659. To provide for the expeditious completion of the acquisition of private mineral interests within the Mount St. Helens National Volcanic Monument mandated by the 1982 Act that established the Monument, and for other purposes.

ADJOURNMENT

Mr. HAYWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 33 minutes p.m.), the House adjourned until tomorrow, Wednesday, October 14, 1998, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11676. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to Section 3 of the Arms Export Control Act; to the Committee on International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SOLOMON: Committee on Rules. House Resolution 594. Resolution providing for the consideration of certain resolutions in preparation for the adjournment of the second session sine die (Rept. 105–818). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. SHAW (for himself, Mr. DEUTSCH, Mr. RAMSTAD, Mr. HASTINGS of Florida, Mr. DIAZ-BALART, Ms. ROS-LEHTINEN, Mr. BILIRAKIS, Mr. FOLEY, Mrs. MEEK of Florida, Mr. DAVIS of Florida, Mr. WEXLER, Mr. MCCOLLUM, and Mr. CAMP):

H.R. 4819. A bill to provide for the continuation of preclearance activities for air transit passengers and enhanced inspectional services for vessel passengers, and for other purposes; to the Committee on Ways and Means.

By Mr. SENSENBRENNER:

H.R. 4820. A bill to impose accountability on the International Space Station, and for other purposes; to the Committee on Science.

By Mr. SMITH of Texas:

H.R. 4821. A bill to extend into fiscal year 1999 the visa processing period for diversity applicants whose visa processing was suspended during fiscal year 1998 due to embassy bombings; to the Committee on the Judiciary.

By Mr. GILLMOR (for himself, Mr. OXLEY, Mr. MANTON, Mr. DEAL of Georgia, Mr. BURR of North Carolina, Mr. HALL of Texas, Mr. WHITFIELD, Mr. LARGENT, Mr. TOWNS, Mr. WAXMAN, Mr. TAUZIN, and Mr. SHIMKUS):

H.R. 4822. A bill to require the Securities and Exchange Commission to require the improved disclosure of tax effects of portfolio transactions on mutual fund performance, and for other purposes; to the Committee on Commerce.

By Mr. KOLBE (for himself and Mr. STENHOLM):

H.R. 4823. A bill to amend the Internal Revenue Code of 1986 to provide for retirement savings for the 21st century; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KOLBE (for himself and Mr. STENHOLM):

H.R. 4824. A bill to amend title II of the Social Security Act to provide for individual security accounts funded by employee and employer social security payroll deductions, to extend the solvency of the old-age, survivors, and disability insurance program, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MENENDEZ:

H.R. 4825. A bill to require proof of screening for lead poisoning and to ensure that children at highest risk are identified and treated; to the Committee on Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHERMAN (for himself, Mr. LANTOS, Mr. MCGOVERN, Mr. YATES, Mr. WAXMAN, and Mr. FROST):

H.R. 4826. A bill to provide victims of the Holocaust access to their insurance policies; to the Committee on Commerce, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of New Jersey:

H.R. 4827. A bill to amend the Fair Housing Act to provide an exemption for restrictions on the occupancy of group homes by persons convicted of certain crimes; to the Committee on the Judiciary.

By Mr. THOMPSON:

H.R. 4828. A bill to amend the Poultry Products Inspection Act to cover birds of the order Ratitae that are raised for use as human food; to the Committee on Agriculture.

By Ms. LOFGREN (for herself, Mr. GEPHARDT, Mr. BONIOR, Mr. DEFAZIO, Mr. DELAHUNT, Mr. SANDERS, Ms. KAPTUR, Mr. FRANK of Massachusetts, Ms. SLAUGHTER, Mr. STARK, Mr. FILNER, and Mr. BROWN of Ohio):

H. Res. 595. A resolution concerning the need to improve working conditions at the Han Young truck factory in Tijuana, Mexico; to the Committee on International Relations.

By Mrs. ROUKEMA (for herself and Ms. KAPTUR):

H. Res. 596. A resolution expressing the sense of the House of Representatives with respect to the seriousness of the national problems associated with mental illness and

with respect to congressional intent to establish a ''Mental Illness Working Group.''; to the Committee on Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 371: Mr. GEKAS and Ms. WATERS.
H.R. 599: Ms. BROWN of Florida.
H.R. 902: Mr. LOBIONDO, Mr. LAHOOD, Mr. SOUDER, Mr. COMBEST, and Mr. WHITE.
H.R. 979: Mr. FOSSELLA.
H.R. 1354: Mrs. JOHNSON of Connecticut.
H.R. 1500: Mr. CUMMINGS, Ms. LEE, and Mr. MEEKS of New York.
H.R. 1916: Mr. DUNCAN.
H.R. 2153: Mr. HINCHEY.
H.R. 2331: Mr. COYNE.
H.R. 2346: Mr. KENNEDY of Rhode Island, Mr. SHERMAN, Ms. ROYBAL-ALLARD, Ms. KILPATRICK, and Mrs. MCCARTHY of New York.
H.R. 2549: Mr. ORTIZ.
H.R. 2635: Mr. ROTHMAN.
H.R. 2754: Ms. LOFGREN and Mr. JACKSON of Illinois.
H.R. 2882: Mr. GOODLATTE.
H.R. 2914: Mrs. JOHNSON of Connecticut.
H.R. 2951: Mr. GOODE.
H.R. 2953: Mr. EVANS.
H.R. 3099: Mr. GOODLATTE.
H.R. 3251: Mr. DEFAZIO.
H.R. 3281: Mr. JACKSON of Illinois.
H.R. 3341: Mr. FARR of California and Mr. ABERCROMBIE.
H.R. 3572: Mr. SAXTON.
H.R. 3622: Mr. STARK.
H.R. 3758: Mr. JACKSON of Illinois.
H.R. 3779: Mr. BURR of North Carolina and Mr. BILBRAY.
H.R. 3792: Mr. PICKERING.
H.R. 3802: Mr. JACKSON of Illinois.
H.R. 3879: Mr. LEWIS of California.
H.R. 3915: Mr. MINGE.
H.R. 3956: Mr. DEFAZIO, Mr. HINCHEY, and Mrs. MINK of Hawaii.
H.R. 3991: Mr. MCINNIS.
H.R. 4031: Ms. SLAUGHTER.
H.R. 4036: Mr. LAZIO of New York and Ms. VELAZQUEZ.
H.R. 4092: Ms. ROYBAL-ALLARD.
H.R. 4197: Mr. HILLEARY.
H.R. 4203: Mr. SAXTON.
H.R. 4209: Mr. SHERMAN.
H.R. 4217: Mr. MANZULLO.
H.R. 4235: Mr. WELDON of Florida.
H.R. 4281: Mr. MANZULLO.
H.R. 4344: Mr. BONIOR.
H.R. 4403: Ms. ROYBAL-ALLARD and Mr. BENTSEN.
H.R. 4449: Mr. MANZULLO.
H.R. 4455: Mr. METCALF.
H.R. 4478: Ms. LOFGREN and Mr. LUTHER.
H.R. 4479: Ms. LOFGREN and Mr. LUTHER.
H.R. 4514: Mrs. MORELLA.
H.R. 4553: Mr. SKAGGS.
H.R. 4563: Mr. BACHUS, Mr. SHERMAN, and Mr. FRANK of Massachusetts.
H.R. 4590: Mr. KENNEDY of Rhode Island and Mr. ETHERIDGE.
H.R. 4621: Mrs. WILSON.
H.R. 4666: Mr. SANDERS.
H.R. 4674: Ms. ROYBAL-ALLARD.
H.R. 4676: Mr. BARRETT of Wisconsin.
H.R. 4683: Mrs. MORELLA and Mr. SERRANO.
H.R. 4689: Mr. FAZIO of California.
H.R. 4692: Mr. BARRETT of Wisconsin.
H.R. 4765: Mr. FOSSELLA.
H.R. 4778: Mrs. MYRICK.
H. Con. Res. 128: Mr. SPRATT.
H. Con. Res. 258: Mr. JACKSON of Illinois.
H. Con. Res. 328: Mr. FORBES and Mrs. KELLY.
H. Con. Res. 340: Mrs. CUBIN, Mr. BLUNT, Mr. KING of New York, and Mr. HOSTETTLER.
H. Con. Res. 341: Mrs. CUBIN, Mr. BLUNT, Mr. KING of New York, and Mr. HOSTETTLER.
H. Con. Res. 342: Mrs. CUBIN, Mr. BLUNT, Mr. KING of New York, and Mr. HOSTETTLER.
H. Res. 16: Mr. SCARBOROUGH.
H. Res. 151: Mr. FRANKS of New Jersey.
H. Res. 483: Ms. CARSON and Mr. ENGEL.
H. Res. 519: Mr. PORTER.
H. Res. 561: Mr. BONIOR and Mrs. ROUKEMA.
H. Res. 566: Mr. GILLMOR.

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PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, TUESDAY, OCTOBER 13, 1998 No. 145

Senate

(Legislative day of Friday, October 2, 1998)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Almighty God, You have all authority in heaven and on Earth. You are Sovereign Lord of our lives and of our Nation. We submit to Your authority. We seek to serve You in this Chamber and in the offices that work to help make the deliberations of the Senate run smoothly. We commit to You all that we do and say this day. Make it a productive day. Give us positive attitudes that exude hope. In each difficult impasse, help us seek Your guidance. Draw us closer to You in whose presence we rediscover that, in spite of differences in particulars, we are here to serve You and our beloved Nation together. In our Lord's Name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

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

SCHEDULE

Mr. DEWINE. Mr. President, on behalf of the majority leader, let me make the following statement.

This morning the Senate will begin a period of morning business lasting until 12 noon. Following morning business, the Senate may consider any legislation that may be cleared by unanimous consent.

All Members should be aware that yesterday the Senate passed a 2-day continuing resolution that will keep the Government operating until midnight Wednesday, allowing the Congress to continue negotiations on the omnibus appropriations bill. If good progress can be made today, the spending bill may be ready for Senate action as early as Wednesday afternoon.

As a reminder to all Members, it is hoped that the remaining legislation of the 105th Congress can be cleared by unanimous consent. However, if a roll-call vote is needed on the omnibus bill, all Members will be given ample notice in order to plan their schedules accordingly.

NOTICE

If the 105th Congress adjourns sine die on or before October 14, 1998, a final issue of the Congressional Record for the 105th Congress will be published on October 28, 1998, in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT–60 or S–123 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through October 27. The final issue will be dated October 28, 1998, and will be delivered on Thursday, October 29.

If the 105th Congress does not adjourn until a later date in 1998, the final issue will be printed at a date to be announced.

None of the material printed in the final issue of the Congressional Record may contain subject matter, or relate to any event that occurred after the sine die date.

Senators' statements should also be submitted electronically, either on a disk to accompany the signed statement, or by e-mail to the Official Reporters of Debates at ''Records@Reporters''.

Members of the House of Representatives' statements may also be submitted electronically on a disk to accompany the signed statement and delivered to the Official Reporter's office in room HT–60.

Members of Congress desiring to purchase reprints of material submitted for inclusion in the Congressional Record may do so by contacting the Congressional Printing Management Division, at the Government Printing Office, on 512–0224, between the hours of 8:00 a.m. and 4:00 p.m. daily.

By order of the Joint Committee on Printing.

JOHN W. WARNER, *Chairman.*

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

Printed on recycled paper.

I thank my colleagues for their attention.

Mr. KENNEDY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I withhold my request because I understand the acting majority leader has some further business.

MIGRATORY BIRD TREATY REFORM ACT OF 1998

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 699, H.R. 2863.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2863) to amend the Migratory Bird Treaty Act to clarify restrictions under that Act on baiting, to facilitate acquisition of migratory bird habitat, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with an amendment; as follows:

(The parts of the bill intended to be inserted are shown in italic)

H.R. 2863

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Migratory Bird Treaty Reform Act of 1998''.

SEC. 2. ELIMINATING STRICT LIABILITY FOR BAITING.

Section 3 of the Migratory Bird Treaty Act (16 U.S.C. 704) is amended—

(1) by inserting ''(a)'' after ''SEC. 3.''; and

(2) by adding at the end the following:

''(b) It shall be unlawful for any person to—

''(1) take any migratory game bird by the aid of baiting, or on or over any baited area, if the person knows or reasonably should know that the area is a baited area; or

''(2) place or direct the placement of bait on or adjacent to an area for the purpose of causing, inducing, or allowing any person to take or attempt to take any migratory game bird by the aid of baiting on or over the baited area.''.

SEC. 3. CRIMINAL PENALTIES.

Section 6(a) of the Migratory Bird Treaty Act (16 U.S.C. 707(a)) is amended—

(1) by striking ''thereof shall be fined not more than $500'' and inserting the following: ''thereof—

''(1) shall be fined not more than $10,000'';

(2) in paragraph (1) (as designated by paragraph (1)), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(2) in the case of a violation of paragraph (1) or (2) of section 3(b) that is committed in connection with guiding, outfitting, or providing any other service offered, provided, or obtained in exchange for money or other consideration, shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both.''.

SEC. 4. REPORT.

Not later than 5 years after the date of enactment of this Act, the Secretary of the Interior shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Resources of the House of Representatives a report analyzing the effect of the amendments made by section 2, and the general practice of baiting, on migratory bird conservation and law enforcement efforts under the Migratory Bird Treaty Act (16 U.S.C. 701 et seq.).

Mr. DEWINE. Mr. President, I ask unanimous consent that the committee amendment be agreed to. And Senator CHAFEE has two amendments at the desk. I ask that they be considered en bloc.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The committee amendment was agreed to.

AMENDMENT NO. 3819

(Purpose: To add other wildlife-related and water-related provisions to the bill)

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. DEWINE), for Mr. CHAFEE, proposes an amendment numbered 3819.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

AMENDMENT NO. 3820

(Purpose: To increase and change the application of the criminal penalty provisions)

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. DEWINE), for Mr. CHAFEE, proposes an amendment numbered 3820.

The amendment is as follows:

On page 2, line 21, strike ''$10,000'' and insert ''$15,000''.

On page 3, strike lines 1 through 7 and insert the following:

''(2) in the case of a violation of section 3(b)(2), shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both.''.

Mr. CHAFEE. Mr. President, I am pleased that this package of fish and wildlife bills is being considered by the Senate today. It is a package that combines some very popular bills with some wonderful conservation initiatives approved by the Committee on Environment and Public Works. It represents an effort on the part of both the Senate and the House to quickly move these bills in the waning days of the 105th Congress. I would like to enumerate the components of this package.

The first item is H.R. 2863, a bill that amends the Migratory Bird Treaty Act with respect to offenses relating to the baiting of migratory birds. This bill was reported by the Environment and Public Works Committee on Friday, October 2.

I am including an amendment that makes two changes to the bill, as it was reported out of the EPW Committee. The first change is to increase the penalty under section 6(a) of the Migratory Bird Treaty Act from $10,000 to $15,000. This change is not intended to affect the classification of the offense, which is currently a class B misdemeanor. Indeed, in *United States* v. *Clavette*, the ninth circuit held that the fine may be as much as $25,000 and still be considered a class B misdemeanor.

The second change is to eliminate the higher penalty for persons who violate section 3(b) of the Migratory Bird Treaty Act in connection with guiding, outfitting, or providing other service in exchange for money or other consideration. The intent of this provision was to discourage commercial operations from engaging in baiting in order to spur their business. However, the language in the reported bill was extremely broad. In addition, some existing laws, such as the Lacey Act, already provide that commercial operations may be subject to higher penalties.

In lieu of the higher penalty for commercial operations, the amendment that I offer today provides a higher penalty for persons who violate section 3(b)(2) of the Migratory Bird Treaty Act. Section 3(b)(2) prohibits the placement of bait on or adjacent to an area for the purpose of causing, inducing, or allowing any person to take or attempt to take any migratory game bird by the aid of baiting on or over the baited area. This penalty would entail fines under title 28 of the United States Code, or imprisonment of not more than one year, or both. Baiting would thus be a class A misdemeanor. The purpose of this higher penalty is to send a strong message to the public that baiting is a serious offense.

Mr. President, these changes have been discussed with Senator BREAUX's staff, House Resources Committee staff, the administration, and the International Association of Fish and Wildlife Agencies, and have met with the approval of all interested parties. I believe that this amendment improves the bill as passed by the committee.

The second item included in the package is S. 2317, which makes several changes to the National Wildlife Refuge System Administration Act of 1966. First, it removes three areas from the Refuge System that have lost the habitat value that led to their being incorporated into the Refuge System. Second, it changes the name of the Klamath Forest National Wildlife Refuge in Oregon to the Klamath Marsh National Wildlife Refuge. The current name leads visitors to believe that it is a national forest, causing confusion over what activities are permitted. Finally, it reduces the penalty for unintentional violations of the National Wildlife Refuge System Administration Act. Currently, all violations of the act are class A misdemeanors, regardless of whether or not it was an intentional violation. Unintentional violations will now be a class B misdemeanor.

The third item included in the package is S. 361, sponsored by Senator JEFFORDS and approved by the Committee on Environment and Public Works on July 22, 1998. This item prohibits the import, export and trade in products that contain, or that are labeled or advertised as containing, rhino and tiger parts, in an effort to reduce the supply

and demand of those products in the United States. It requires a public outreach program in the United States to complement the prohibitions. Lastly, it reauthorizes the Rhinoceros and Tiger Conservation Act through 2002.

As a related matter, I would like to note that even as Congress reaffirms and strengthens the laws for the conservation of rhinos and tigers, funding for implementation of these laws is woefully inadequate. This year—the Year of the Tiger—the administration requested only $400,000 for implementing the Rhinoceros and Tiger Conservation Act. The Act is authorized to be appropriated up to $10 million annually. I strongly urge the administration, for fiscal year 2000, to request funding commensurate with the dire situation facing rhinos, and particularly tigers, in the wild.

The fourth item included in the package is S. 1677, the Wetlands and Wildlife Enhancement Act of 1998. This bill reauthorizes the North American Wetlands Conservation Act (NAWCA)—a law that has played a central role in the conservation of wetlands habitat across the continent. I introduced the bill last February, and have been joined by 58 of my colleagues from 42 States in sponsoring S. 1677. There are 35 Republican cosponsors and 23 Democrat cosponsors. This tremendous showing of bipartisan support is a tribute to one of the great success stories in wildlife conservation.

The fifth item in the package includes provisions relating to protection of the Chesapeake Bay, and the research of pfiesteria.

Mr. President, this package contains some very popular bills and very worthwhile conservation programs. It represents the fruits of many months of work by both the House Resources Committee and the Senate Environment and Public Works Committee. In particular, I would like to thank Chairman DON YOUNG and his staff, Harry Burroughs, for their cooperation on these bills, and in putting together this package.

Mr. President, I also ask unanimous consent that the report by the Congressional Budget Office for the bill, H.R. 2863, as approved by the Committee on Environment and Public Works, be printed in the RECORD. When the Committee filed its report on the bill, CBO had not yet completed its analysis, so it was not included. I would now like it to be part of the public record.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 8, 1998.

Hon. JOHN F. CHAFEE,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2863, the Migratory Bird Treaty Reform Act of 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Deborah Reis (for federal costs), who can be reached at 226–2860, and Hester Grippando (for revenues), who can be reached at 226–2720.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, OCTOBER 8, 1998

H.R. 2863: MIGRATORY BIRD TREATY REFORM ACT OF 1998

(As reported by the Senate Committee on Environment and Public Works on October 5, 1998)

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 2863 would cost the U.S. Fish and Wildlife Service (USFWS) less than $200,000 over the next five years to prepare a report on migratory bird conservation issues. Because sections 2 and 3 of the legislation may affect receipts from criminal fines, pay-as-you-go procedures would apply. We estimate that any changes in receipts would be negligible, however, and would be largely offset by resulting changes in direct spending from the Crime Victims Fund (into which criminal fines are deposited). H.R. 2863 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

Section 2 of H.R. 2863 would codify a standard for determining when someone is guilty of hunting migratory birds over an area baited with bird feed. At present, there is no statutory rule for deciding the issue; thus, the standard is determined by the courts and differs from jurisdiction to jurisdiction. In most areas of the country, courts usually apply strict liability—anyone found hunting over a baited field is guilty of violating federal law whether the person knew that the area was baited or not. In contrast, H.R. 2863 would establish a national standard, presently applied in only a few states, that would make it unlawful for a person to hunt over a field only if that person knows or reasonably should know that the area is baited.

It is possible that applying a new standard regarding the hunting of migratory birds, as would be required by section 2, could make it more difficult for some prosecutors to prove that the law has been violated, resulting in fewer convictions in some states. CBO estimates, however, that the aggregate decrease in federal revenues from fines would be insignificant because the overall conviction rate would be unlikely to fall by much—these rates are already extremely high in all states, regardless of which standard is applied.

Similarly, CBO estimates that section 3 of this legislation, which would raise from $500 to $10,000 the maximum criminal penalty for certain violations of the Migratory Bird Treaty Act, would not cause any significant increase in revenues from fines because we expect that prosecutors would be very unlikely to ask for higher penalties than they currently seek. (The government rarely imposes the current $500 maximum fine in the more than 1,000 cases it prosecutes annually.) In any case, changes in revenues from enacting H.R. 2863 would result in offsetting changes in direct spending from the Crime Victims Fund.

This estimate is based on information provided by the USFWS, the Office of Management and Budget, and federal law enforcement officers.

On May 14, 1998, CBO prepared a cost estimate for H.R. 2863, as ordered reported by the House Committee on Resources on April 29, 1998. This estimate, for the Senate version of H.R. 2863, differs from the previous one because it includes the budgetary effects of two added provisions: the reporting requirement contained in section 4 and the increase in certain maximum penalties contained in section 3.

The CBO staff contacts for this estimate are Deborah Reis (for federal costs), who can be reached at 226–2860, and Hester Grippando (for revenues), who can be reached at 226–2720. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

Mr. DEWINE. Mr. President, I ask unanimous consent that the amendments be agreed to en bloc and the bill be read a third time.

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

The amendments (Nos. 3819 and 3820) were agreed to.

The bill (H.R. 2863) was read the third time.

Mr. DEWINE. I further ask unanimous consent that the Environment Committee be immediately discharged from consideration of H.R. 2807, and the Senate proceed then to its consideration.

I further ask that all after the enacting clause be stricken and the text of H.R. 2863 be inserted in lieu thereof, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

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

The bill (H.R. 2807), as amended, was passed, as follows:

Resolved, That the bill from the House of Representatives (H.R. 2807) entitled ''An Act to amend the Rhinoceros and Tiger Conservation Act of 1994 to prohibit the sale, importation, and exportation of products labeled as containing substances derived from rhinoceros or tiger.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

TITLE I—MIGRATORY BIRD TREATY REFORM

SEC. 101. SHORT TITLE.

This title may be cited as the ''Migratory Bird Treaty Reform Act of 1998''.

SEC. 102. ELIMINATING STRICT LIABILITY FOR BAITING.

Section 3 of the Migratory Bird Treaty Act (16 U.S.C. 704) is amended—

(1) by inserting ''(a)'' after ''SEC. 3.''; and

(2) by adding at the end the following:

''(b) It shall be unlawful for any person to—

''(1) take any migratory game bird by the aid of baiting, or on or over any baited area, if the person knows or reasonably should know that the area is a baited area; or

''(2) place or direct the placement of bait on or adjacent to an area for the purpose of causing, inducing, or allowing any person to take or attempt to take any migratory game bird by the aid of baiting on or over the baited area.''.

SEC. 103. CRIMINAL PENALTIES.

Section 6(a) of the Migratory Bird Treaty Act (16 U.S.C. 707(a)) is amended—

(1) by striking ''thereof shall be fined not more than $500'' and inserting the following: ''thereof—

''(1) shall be fined not more than $15,000'';

(2) in paragraph (1) (as designated by paragraph (1)), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(2) in the case of a violation of section 3(b)(2), shall be fined under title 18, United

States Code, imprisoned not more than 1 year, or both.''.

SEC. 104. REPORT.

Not later than 5 years after the date of enactment of this Act, the Secretary of the Interior shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Resources of the House of Representatives a report analyzing the effect of the amendments made by section 2, and the general practice of baiting, on migratory bird conservation and law enforcement efforts under the Migratory Bird Treaty Act (16 U.S.C. 701 et seq.).

TITLE II—NATIONAL WILDLIFE REFUGE SYSTEM IMPROVEMENT

SEC. 201. SHORT TITLE.

This title may be cited as the ''National Wildlife Refuge System Improvement Act of 1998''.

SEC. 202. UPPER MISSISSIPPI RIVER NATIONAL WILDLIFE AND FISH REFUGE.

(a) IN GENERAL.—In accordance with section 4(a)(5) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(a)(5)), there are transferred to the Corps of Engineers, without reimbursement, approximately 37.36 acres of land of the Upper Mississippi River Wildlife and Fish Refuge in the State of Minnesota, as designated on the map entitled ''Upper Mississippi National Wildlife and Fish Refuge lands transferred to Corps of Engineers'', dated January 1998, and available, with accompanying legal descriptions of the land, for inspection in appropriate offices of the United States Fish and Wildlife Service.

(b) CONFORMING AMENDMENTS.—The first section and section 2 of the Upper Mississippi River Wild Life and Fish Refuge Act (16 U.S.C. 721, 722) are amended by striking ''Upper Mississippi River Wild Life and Fish Refuge'' each place it appears and inserting ''Upper Mississippi River National Wildlife and Fish Refuge''.

SEC. 203. KILLCOHOOK COORDINATION AREA.

(a) IN GENERAL.—In accordance with section 4(a)(5) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(a)(5)), the jurisdiction of the United States Fish and Wildlife Service over approximately 1,439.26 acres of land in the States of New Jersey and Delaware, known as the ''Killcohook Coordination Area'', as established by Executive Order No. 6582, issued February 3, 1934, and Executive Order No. 8648, issued January 23, 1941, is terminated.

(b) EXECUTIVE ORDERS.—Executive Order No. 6582, issued February 3, 1934, and Executive Order No. 8648, issued January 23, 1941, are revoked.

SEC. 204. LAKE ELSIE NATIONAL WILDLIFE REFUGE.

(a) IN GENERAL.—In accordance with section 4(a)(5) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(a)(5)), the jurisdiction of the United States Fish and Wildlife Service over approximately 634.7 acres of land and water in Richland County, North Dakota, known as the ''Lake Elsie National Wildlife Refuge'', as established by Executive Order No. 8152, issued June 12, 1939, is terminated.

(b) EXECUTIVE ORDER.—Executive Order No. 8152, issued June 12, 1939, is revoked.

SEC. 205. KLAMATH FOREST NATIONAL WILDLIFE REFUGE.

Section 28 of the Act of August 13, 1954 (25 U.S.C. 564w–1), is amended in subsections (f) and (g) by striking ''Klamath Forest National Wildlife Refuge'' each place it appears and inserting ''Klamath Marsh National Wildlife Refuge''.

SEC. 206. VIOLATION OF NATIONAL WILDLIFE REFUGE SYSTEM ADMINISTRATION ACT.

Section 4 of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd) is amended—

(1) in the first sentence of subsection (c), by striking ''knowingly''; and

(2) in subsection (f)—

(A) by striking ''(f) Any'' and inserting the following:

''(f) PENALTIES.—

''(1) KNOWING VIOLATIONS.—Any'';

(B) by inserting ''knowingly'' after ''who''; and

(C) by adding at the end the following:

''(2) OTHER VIOLATIONS.—Any person who otherwise violates or fails to comply with any of the provisions of this Act (including a regulation issued under this Act) shall be fined under title 18, United States Code, or imprisoned not more than 180 days, or both.''.

TITLE III—WETLANDS AND WILDLIFE ENHANCEMENT

SEC. 301. SHORT TITLE.

This title may be cited as the ''Wetlands and Wildlife Enhancement Act of 1998''.

SEC. 302. REAUTHORIZATION OF NORTH AMERICAN WETLANDS CONSERVATION ACT.

Section 7(c) of the North American Wetlands Conservation Act (16 U.S.C. 4406(c)) is amended by striking ''not to exceed'' and all that follows and inserting ''not to exceed $30,000,000 for each of fiscal years 1999 through 2003.''.

SEC. 303. REAUTHORIZATION OF PARTNERSHIPS FOR WILDLIFE ACT.

Section 7105(h) of the Partnerships for Wildlife Act (16 U.S.C. 3744(h)) is amended by striking ''for each of fiscal years'' and all that follows and inserting ''not to exceed $6,250,000 for each of fiscal years 1999 through 2003.''.

SEC. 304. MEMBERSHIP OF THE NORTH AMERICAN WETLANDS CONSERVATION COUNCIL.

(a) IN GENERAL.—Notwithstanding section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)), during the period of 1999 through 2002, the membership of the North American Wetlands Conservation Council under section 4(a)(1)(D) of that Act shall consist of—

(1) 1 individual who shall be the Group Manager for Conservation Programs of Ducks Unlimited, Inc. and who shall serve for 1 term of 3 years beginning in 1999; and

(2) 2 individuals who shall be appointed by the Secretary of the Interior in accordance with section 4 of that Act and who shall each represent a different organization described in section 4(a)(1)(D) of that Act.

(b) PUBLICATION OF POLICY.—Not later than June 30, 1999, the Secretary of the Interior shall publish in the Federal Register, after notice and opportunity for public comment, a policy for making appointments under section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)).

TITLE IV—RHINOCEROS AND TIGER CONSERVATION

SEC. 401. SHORT TITLE.

This title may be cited as the ''Rhinoceros and Tiger Conservation Act of 1998''.

SEC. 402. FINDINGS.

Congress finds that—

(1) the populations of all but 1 species of rhinoceros, and the tiger, have significantly declined in recent years and continue to decline;

(2) these species of rhinoceros and tiger are listed as endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) and listed on Appendix I of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, signed on March 3, 1973 (27 UST 1087; TIAS 8249) (referred to in this title as ''CITES'');

(3) the Parties to CITES have adopted several resolutions—

(A) relating to the conservation of tigers (Conf. 9.13 (Rev.)) and rhinoceroses (Conf. 9.14), urging Parties to CITES to implement legislation to reduce illegal trade in parts and products of the species; and

(B) relating to trade in readily recognizable parts and products of the species (Conf. 9.6), and trade in traditional medicines (Conf. 10.19), recommending that Parties ensure that their legislation controls trade in those parts and derivatives, and in medicines purporting to contain them;

(4) a primary cause of the decline in the populations of tiger and most rhinoceros species is the poaching of the species for use of their parts and products in traditional medicines;

(5) there are insufficient legal mechanisms enabling the United States Fish and Wildlife Service to interdict products that are labeled or advertised as containing substances derived from rhinoceros or tiger species and prosecute the merchandisers for sale or display of those products; and

(6) legislation is required to ensure that—

(A) products containing, or labeled or advertised as containing, rhinoceros parts or tiger parts are prohibited from importation into, or exportation from, the United States; and

(B) efforts are made to educate persons regarding alternatives for traditional medicine products, the illegality of products containing, or labeled or advertised as containing, rhinoceros parts and tiger parts, and the need to conserve rhinoceros and tiger species generally.

SEC. 403. PURPOSES OF THE RHINOCEROS AND TIGER CONSERVATION ACT OF 1994.

Section 3 of the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5302) is amended by adding at the end the following:

''(3) To prohibit the sale, importation, and exportation of products intended for human consumption or application containing, or labeled or advertised as containing, any substance derived from any species of rhinoceros or tiger.''.

SEC. 404. DEFINITION OF PERSON.

Section 4 of the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5303) is amended—

(1) in paragraph (4), by striking ''and'' at the end;

(2) in paragraph (5), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(6) 'person' means—

''(A) an individual, corporation, partnership, trust, association, or other private entity;

''(B) an officer, employee, agent, department, or instrumentality of—

''(i) the Federal Government;

''(ii) any State, municipality, or political subdivision of a State; or

''(iii) any foreign government;

''(C) a State, municipality, or political subdivision of a State; or

''(D) any other entity subject to the jurisdiction of the United States.''.

SEC. 405. PROHIBITION ON SALE, IMPORTATION, OR EXPORTATION OF PRODUCTS LABELED OR ADVERTISED AS RHINOCEROS OR TIGER PRODUCTS.

The Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5301 et seq.) is amended—

(1) by redesignating section 7 as section 9; and

(2) by inserting after section 6 the following:

''SEC. 7. PROHIBITION ON SALE, IMPORTATION, OR EXPORTATION OF PRODUCTS LABELED OR ADVERTISED AS RHINOCEROS OR TIGER PRODUCTS.

''(a) PROHIBITION.—A person shall not sell, import, or export, or attempt to sell, import, or export, any product, item, or substance intended for human consumption or application containing, or labeled or advertised as containing, any substance derived from any species of rhinoceros or tiger.

''(b) PENALTIES.—

''(1) CRIMINAL PENALTY.—A person engaged in business as an importer, exporter, or distributor that knowingly violates subsection (a) shall be fined under title 18, United States Code, imprisoned not more than 6 months, or both.

''(2) CIVIL PENALTIES.—

''(A) IN GENERAL.—A person that knowingly violates subsection (a), and a person engaged in business as an importer, exporter, or distributor

that violates subsection (a), may be assessed a civil penalty by the Secretary of not more than $12,000 for each violation.

''(B) MANNER OF ASSESSMENT AND COLLECTION.—A civil penalty under this paragraph shall be assessed, and may be collected, in the manner in which a civil penalty under the Endangered Species Act of 1973 may be assessed and collected under section 11(a) of that Act (16 U.S.C. 1540(a)).

''(c) PRODUCTS, ITEMS, AND SUBSTANCES.—Any product, item, or substance sold, imported, or exported, or attempted to be sold, imported, or exported, in violation of this section or any regulation issued under this section shall be subject to seizure and forfeiture to the United States.

''(d) REGULATIONS.—After consultation with the Secretary of the Treasury, the Secretary of Health and Human Services, and the United States Trade Representative, the Secretary shall issue such regulations as are appropriate to carry out this section.

''(e) ENFORCEMENT.—The Secretary, the Secretary of the Treasury, and the Secretary of the department in which the Coast Guard is operating shall enforce this section in the manner in which the Secretaries carry out enforcement activities under section 11(e) of the Endangered Species Act of 1973 (16 U.S.C. 1540(e)).

''(f) USE OF PENALTY AMOUNTS.—Amounts received as penalties, fines, or forfeiture of property under this section shall be used in accordance with section 6(d) of the Lacey Act Amendments of 1981 (16 U.S.C. 3375(d)).''.

SEC. 406. EDUCATIONAL OUTREACH PROGRAM.

The Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5301 et seq.) (as amended by section 405) is amended by inserting after section 7 the following:

''SEC. 8. EDUCATIONAL OUTREACH PROGRAM.

''(a) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Secretary shall develop and implement an educational outreach program in the United States for the conservation of rhinoceros and tiger species.

''(b) GUIDELINES.—The Secretary shall publish in the Federal Register guidelines for the program.

''(c) CONTENTS.—Under the program, the Secretary shall publish and disseminate information regarding—

''(1) laws protecting rhinoceros and tiger species, in particular laws prohibiting trade in products containing, or labeled or advertised as containing, their parts;

''(2) use of traditional medicines that contain parts or products of rhinoceros and tiger species, health risks associated with their use, and available alternatives to the medicines; and

''(3) the status of rhinoceros and tiger species and the reasons for protecting the species.''.

SEC. 407. AUTHORIZATION OF APPROPRIATIONS.

Section 9 of the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5306) (as redesignated by section 405(1)) is amended by striking ''1996, 1997, 1998, 1999, and 2000'' and inserting ''1996 through 2002''.

TITLE V—CHESAPEAKE BAY INITIATIVES

SEC. 501. SHORT TITLE.

This title may be cited as the ''Chesapeake Bay Initiatives Act of 1998''.

SEC. 502. CHESAPEAKE BAY.

Section 117 of the Federal Water Pollution Control Act (33 U.S.C. 1267) is amended to read as follows:

''SEC. 117. CHESAPEAKE BAY.

''(a) DEFINITIONS.—In this section:

''(1) CHESAPEAKE BAY AGREEMENT.—The term 'Chesapeake Bay Agreement' means the formal, voluntary agreements, amendments, directives, and adoption statements executed to achieve the goal of restoring and protecting the Chesapeake Bay ecosystem and the living resources of the ecosystem and signed by the Chesapeake Executive Council.

''(2) CHESAPEAKE BAY PROGRAM.—The term 'Chesapeake Bay Program' means the program directed by the Chesapeake Executive Council in accordance with the Chesapeake Bay Agreement.

''(3) CHESAPEAKE BAY WATERSHED.—The term 'Chesapeake Bay watershed' shall have the meaning determined by the Administrator.

''(4) CHESAPEAKE EXECUTIVE COUNCIL.—The term 'Chesapeake Executive Council' means the signatories to the Chesapeake Bay Agreement.

''(5) SIGNATORY JURISDICTION.—The term 'signatory jurisdiction' means a jurisdiction of a signatory to the Chesapeake Bay Agreement.

''(b) CONTINUATION OF CHESAPEAKE BAY PROGRAM.—

''(1) IN GENERAL.—In cooperation with the Chesapeake Executive Council (and as a member of the Council), the Administrator shall continue the Chesapeake Bay Program.

''(2) PROGRAM OFFICE.—The Administrator shall maintain in the Environmental Protection Agency a Chesapeake Bay Program Office. The Chesapeake Bay Program Office shall provide support to the Chesapeake Executive Council by—

''(A) implementing and coordinating science, research, modeling, support services, monitoring, data collection, and other activities that support the Chesapeake Bay Program;

''(B) developing and making available, through publications, technical assistance, and other appropriate means, information pertaining to the environmental quality and living resources of the Chesapeake Bay;

''(C) assisting the signatories to the Chesapeake Bay Agreement, in cooperation with appropriate Federal, State, and local authorities, in developing and implementing specific action plans to carry out the responsibilities of the signatories to the Chesapeake Bay Agreement;

''(D) coordinating the actions of the Environmental Protection Agency with the actions of the appropriate officials of other Federal agencies and State and local authorities in developing strategies to—

''(i) improve the water quality and living resources of the Chesapeake Bay; and

''(ii) obtain the support of the appropriate officials of the agencies and authorities in achieving the objectives of the Chesapeake Bay Agreement; and

''(E) implementing outreach programs for public information, education, and participation to foster stewardship of the resources of the Chesapeake Bay.

''(c) INTERAGENCY AGREEMENTS.—The Administrator may enter into an interagency agreement with a Federal agency to carry out this section.

''(d) TECHNICAL ASSISTANCE AND ASSISTANCE GRANTS.—

''(1) IN GENERAL.—In consultation with other members of the Chesapeake Executive Council, the Administrator may provide technical assistance, and assistance grants, to nonprofit private organizations and individuals, State and local governments, colleges, universities, and interstate agencies to carry out this section, subject to such terms and conditions as the Administrator considers appropriate.

''(2) FEDERAL SHARE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Federal share of an assistance grant provided under paragraph (1) shall be determined by the Administrator in accordance with Environmental Protection Agency guidance.

''(B) SMALL WATERSHED GRANTS PROGRAM.—The Federal share of an assistance grant provided under paragraph (1) to carry out an implementing activity under subsection (g)(2) shall not exceed 75 percent of eligible project costs, as determined by the Administrator.

''(3) NON-FEDERAL SHARE.—An assistance grant under paragraph (1) shall be provided on the condition that non-Federal sources provide the remainder of eligible project costs, as determined by the Administrator.

''(4) ADMINISTRATIVE COSTS.—Administrative costs (including salaries, overhead, and indirect costs for services provided and charged against projects supported by funds made available under this subsection) incurred by a person described in paragraph (1) in carrying out a project under this subsection during a fiscal year shall not exceed 10 percent of the grant made to the person under this subsection for the fiscal year.

''(e) IMPLEMENTATION GRANTS.—

''(1) IN GENERAL.—If a signatory jurisdiction has approved and committed to implement all or substantially all aspects of the Chesapeake Bay Agreement, on the request of the chief executive of the jurisdiction, the Administrator shall make a grant to the jurisdiction for the purpose of implementing the management mechanisms established under the Chesapeake Bay Agreement, subject to such terms and conditions as the Administrator considers appropriate.

''(2) PROPOSALS.—A signatory jurisdiction described in paragraph (1) may apply for a grant under this subsection for a fiscal year by submitting to the Administrator a comprehensive proposal to implement management mechanisms established under the Chesapeake Bay Agreement. The proposal shall include—

''(A) a description of proposed management mechanisms that the jurisdiction commits to take within a specified time period, such as reducing or preventing pollution in the Chesapeake Bay and to meet applicable water quality standards; and

''(B) the estimated cost of the actions proposed to be taken during the fiscal year.

''(3) APPROVAL.—If the Administrator finds that the proposal is consistent with the Chesapeake Bay Agreement and the national goals established under section 101(a), the Administrator may approve the proposal for a fiscal year.

''(4) FEDERAL SHARE.—The Federal share of an implementation grant provided under this subsection shall not exceed 50 percent of the costs of implementing the management mechanisms during the fiscal year.

''(5) NON-FEDERAL SHARE.—An implementation grant under this subsection shall be made on the condition that non-Federal sources provide the remainder of the costs of implementing the management mechanisms during the fiscal year.

''(6) ADMINISTRATIVE COSTS.—Administrative costs (including salaries, overhead, and indirect costs for services provided and charged against projects supported by funds made available under this subsection) incurred by a signatory jurisdiction in carrying out a project under this subsection during a fiscal year shall not exceed 10 percent of the grant made to the jurisdiction under this subsection for the fiscal year.

''(f) COMPLIANCE OF FEDERAL FACILITIES.—

''(1) SUBWATERSHED PLANNING AND RESTORATION.—A Federal agency that owns or operates a facility (as defined by the Administrator) within the Chesapeake Bay watershed shall participate in regional and subwatershed planning and restoration programs.

''(2) COMPLIANCE WITH AGREEMENT.—The head of each Federal agency that owns or occupies real property in the Chesapeake Bay watershed shall ensure that the property, and actions taken by the agency with respect to the property, comply with the Chesapeake Bay Agreement.

''(g) CHESAPEAKE BAY WATERSHED, TRIBUTARY, AND RIVER BASIN PROGRAM.—

''(1) NUTRIENT AND WATER QUALITY MANAGEMENT STRATEGIES.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in consultation with other members of the Chesapeake Executive Council, shall ensure that management plans are developed and implementation is begun by signatories to the Chesapeake Bay Agreement for the tributaries of the Chesapeake Bay to achieve and maintain—

''(A) the nutrient goals of the Chesapeake Bay Agreement for the quantity of nitrogen and phosphorus entering the main stem Chesapeake Bay;

''(B) the water quality requirements necessary to restore living resources in both the tributaries and the main stem of the Chesapeake Bay;

''(C) the Chesapeake Bay basinwide toxics reduction and prevention strategy goal of reducing or eliminating the input of chemical contaminants from all controllable sources to levels that result in no toxic or bioaccumulative impact on the living resources that inhabit the Bay or on human health; and

''(D) habitat restoration, protection, and enhancement goals established by Chesapeake Bay Agreement signatories for wetlands, forest riparian zones, and other types of habitat associated with the Chesapeake Bay and the tributaries of the Chesapeake Bay.

''(2) SMALL WATERSHED GRANTS PROGRAM.—The Administrator, in consultation with other members of the Chesapeake Executive Council, may offer the technical assistance and assistance grants authorized under subsection (d) to local governments and nonprofit private organizations and individuals in the Chesapeake Bay watershed to implement—

''(A) cooperative tributary basin strategies that address the Chesapeake Bay's water quality and living resource needs; or

''(B) locally based protection and restoration programs or projects within a watershed that complement the tributary basin strategies.

''(h) STUDY OF CHESAPEAKE BAY PROGRAM.—Not later than December 31, 2000, and every 3 years thereafter, the Administrator, in cooperation with other members of the Chesapeake Executive Council, shall complete a study and submit a comprehensive report to Congress on the results of the study. The study and report shall, at a minimum—

''(1) assess the commitments and goals of the management strategies established under the Chesapeake Bay Agreement and the extent to which the commitments and goals are being met;

''(2) assess the priority needs required by the management strategies and the extent to which the priority needs are being met;

''(3) assess the effects of air pollution deposition on water quality of the Chesapeake Bay;

''(4) assess the state of the Chesapeake Bay and its tributaries and related actions of the Chesapeake Bay Program;

''(5) make recommendations for the improved management of the Chesapeake Bay Program; and

''(6) provide the report in a format transferable to and usable by other watershed restoration programs.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000 for each of fiscal years 1999 through 2003.''.

SEC. 503. CHESAPEAKE BAY GATEWAYS AND WATERTRAILS.

(a) CHESAPEAKE BAY GATEWAYS AND WATERTRAILS NETWORK.—

(1) IN GENERAL.—The Secretary of the Interior (referred to in this section as the ''Secretary''), in cooperation with the Administrator of the Environmental Protection Agency (referred to in this section as the ''Administrator''), shall provide technical and financial assistance, in cooperation with other Federal agencies, State and local governments, nonprofit organizations, and the private sector—

(A) to identify, conserve, restore, and interpret natural, recreational, historical, and cultural resources within the Chesapeake Bay Watershed;

(B) to identify and utilize the collective resources as Chesapeake Bay Gateways sites for enhancing public education of and access to the Chesapeake Bay;

(C) to link the Chesapeake Bay Gateways sites with trails, tour roads, scenic byways, and other connections as determined by the Secretary;

(D) to develop and establish Chesapeake Bay Watertrails comprising water routes and connections to Chesapeake Bay Gateways sites and other land resources within the Chesapeake Bay Watershed; and

(E) to create a network of Chesapeake Bay Gateways sites and Chesapeake Bay Watertrails.

(2) COMPONENTS.—Components of the Chesapeake Bay Gateways and Watertrails Network may include—

(A) State or Federal parks or refuges;

(B) historic seaports;

(C) archaeological, cultural, historical, or recreational sites; or

(D) other public access and interpretive sites as selected by the Secretary.

(b) CHESAPEAKE BAY GATEWAYS GRANTS ASSISTANCE PROGRAM.—

(1) IN GENERAL.—The Secretary, in cooperation with the Administrator, shall establish a Chesapeake Bay Gateways Grants Assistance Program to aid State and local governments, local communities, nonprofit organizations, and the private sector in conserving, restoring, and interpreting important historic, cultural, recreational, and natural resources within the Chesapeake Bay Watershed.

(2) CRITERIA.—The Secretary, in cooperation with the Administrator, shall develop appropriate eligibility, prioritization, and review criteria for grants under this section.

(3) MATCHING FUNDS AND ADMINISTRATIVE EXPENSES.—A grant under this section—

(A) shall not exceed 50 percent of eligible project costs;

(B) shall be made on the condition that non-Federal sources, including in-kind contributions of services or materials, provide the remainder of eligible project costs; and

(C) shall be made on the condition that not more than 10 percent of all eligible project costs be used for administrative expenses.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $3,000,000 for each of fiscal years 1999 through 2003.

SEC. 504. PFIESTERIA AND OTHER AQUATIC TOXINS RESEARCH AND GRANT PROGRAM.

(a) IN GENERAL.—The Administrator of the Environmental Protection Agency, the Secretary of Commerce (acting through the Director of the National Marine Fisheries Service of the National Oceanic and Atmospheric Administration), the Secretary of Health and Human Services (acting through the Director of the National Institute of Environmental Health Sciences and the Director of the Centers for Disease Control and Prevention), and the Secretary of Agriculture shall—

(1) establish a research program for the eradication or control of Pfiesteria piscicida and other aquatic toxins; and

(2) make grants to colleges, universities, and other entities in affected States for the eradication or control of Pfiesteria piscicida and other aquatic toxins.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 1999 and 2000.

Mr. DEWINE. I finally ask consent that H.R. 2863 be placed back on the calendar.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. DEWINE). Under the previous order, there will now be a period of morning business until 12 noon.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, as I understand it, under the previous order I have 20 minutes. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. Will the Chair be kind enough to let me know when I have 2 minutes remaining?

The PRESIDING OFFICER. The Senator will be notified.

Mr. KENNEDY. I thank the Chair.

TRIBUTE TO PATRICK MURPHY, FOUNDER OF THE ''FOR THE LOVE OF LIFE'' FOUNDATION

Mr. KENNEDY. Mr. President, I rise today to pay tribute to a wonderful friend who has left us all too soon, Patrick Murphy of Provincetown, Massachusetts, who died last Friday from complication of AIDS.

The poet Yeats wrote about another young man who died too young, in lines that apply to Patrick Murphy, too—he was ''all life's epitome. What made us dream that he could comb grey hair?''

Patrick was a very special friend, and we grieve all the more today because his life was so tragically cut short. But he lived that life with great energy, passion and commitment. And these priceless qualities won him countless friends and enormous success throughout his lifetime. But even more important, they won him the enduring respect and genuine affection of the people whose lives he touched and helped.

Patrick succeeded where others failed because he would never allow himself to be distracted by the mean-spirited. He had a determination that could overcome any obstacle or criticism. He was seldom burdened by a sense of reality, which made him all the more endearing and all the more successful.

In the Patrick Murphy handbook on life, ''No you can't'' became ''Yes you can.'' You can fight the bureaucracy. You can make a difference. You can live with AIDS—and never let anyone tell you you can't.

All of us who knew Patrick knew that he never gave up and never gave in. He was the ''ever-ready bunny'' in the television commercial—the one who just keeps going and going—ever-ready to fight for all the causes we share.

I remember my own campaign in Massachusetts in 1994. Patrick had just left the hospital. But that didn't stop him for a second. Before we knew it, he had list after list of events and phone-banks and campaign stops he was planning—working skillfully and tirelessly until every last vote was counted and victory was won.

He did the same for Senator JOHN KERRY in his reelection campaign in 1996—and for President Clinton and Vice President GORE in their campaign that year too.

And he did it all over again for the impressive ''For the Love of Life'' Foundation that he founded in 1992 and that will be his lasting memorial.

In the years to come, the Foundation will remind us again and again of Patrick and the power of individuals to make a difference. Ever since Patrick created ''For the Love of Life'' in 1992, the Foundation has brought greater hope and a higher quality of life to countless people living with AIDS—in Massachusetts and across the country.

The Foundation was inspired by Patrick's extraordinary belief that people's dreams can come true. And, the Foundation's great mission has been to grant the wishes of individuals and families living with HIV and AIDS.

''For the Love of Life'' works closely with other AIDS organizations. It provides a special extra dimension that others can't.

For an HIV positive father who could not afford a funeral for his infant son who died of AIDS—''For the Love of Life'' made the difference.

For a person living in a hospice in Boston—''For the Love of Life'' enabled him to visit his mother in Pittsburgh for one last time, to share a birthday.

The Foundation has helped many others as well—a mother with AIDS to attend her daughter's wedding—a teenage girl with AIDS to have a Sweet 16 party for her family and friends. Because of Patrick's vision and leadership, the dreams of countless others will come true.

As many have said, life is best measures not by its length but by its depth—by those magical moments that make life special. Patrick made life special for himself and everyone he touched. And in the years to come, ''For the Love of Life'' will continue Patrick's great work by helping people with AIDS to live life and love life. And for that great gift and lesson to all of us—we thank Patrick with all our heart.

Patrick, for the light you brought to dark hours and for the dignity you gave to the human spirit—God bless you and sustain you. Patrick said he was always happier and healthier when he had a project. So I say now, to Patrick in heaven, may you always have a project!

EDUCATION FUNDING

Mr. KENNEDY. Mr. President, I want to address the Senate for a few moments today to call attention to some progress that has been made, as I understand it, in budget negotiations in the areas of education, but also to indicate why I think the resolution of the President of the United States in identifying the importance of the help and assistance of the Federal Government for local communities and the States is extremely important, and why it has been very important in these last few days, that these negotiations reflect the President's strong commitment to education policy, and to put into some perspective why this battle has been necessary over the period of recent years and why it is necessary now. I will mention in just a few moments some of the areas where I understand progress has been made. Nothing will be achieved until everything is settled, but, nonetheless, the areas that I will mention here, I think, have been generally recognized as having been fairly well agreed to, and I think it is relevant to mention those because they are important and will be important when the final omnibus legislation has been achieved.

If you look over the recent years to see what has happened in terms of the education budget, you will see why this battle has been so important. If you look at the amount of the Federal budget that is devoted to education, it represents only 2 percent of the total budget. We are talking now of a budget of $1.7 billion. Only 2 percent of that budget is education. I think most Americans would believe that it should be a good deal higher.

What we are trying to do is to make sure that even this 2 percent is going to be preserved. If there is an opportunity, we are going to see some expansion of it. We understand that we have a tight fiscal situation. We are grateful for the economic policies that have brought us to some surplus, and we expect that to continue, although the surplus for the first 5 years is reflected really in the cumulative savings in our Social Security. And that is why the President is wise to say it is not appropriate now to have a tax cut because those funds which have been paid in and reflect themselves in the form of a surplus are really the hard-earned wages of workers and employers paying into the Social Security trust fund, and until we resolve the challenges of the Social Security trust fund, we should not, and we must not, see a tax cut.

But what we are trying to do is give education more of a priority within the total budget. That is certainly the desire of the American people. What we have been faced with over the period of recent years is the following: In 1996, the Republicans attempted to cut $3.7 billion below the previous year, 1995, in terms of what had actually been appropriated. Do we understand? In the education budget—that was in 1996, that was resisted by the President—all those budget cuts were not achieved but there were some budget cuts.

In 1997, the Republican proposal was to cut $1.5 billion below the previous year—not add on, Mr. President, not try to find out how we could possibly squeeze other aspects of our national budget in order to increase our commitment to education. No. We saw the request for $1.5 billion less in 1997 over the previous year; in 1998, a $2 billion cut below the President's request, and this year $2 billion below the President's request.

These are the facts. And so it is understandable that in the final wrap-up of these budget negotiations, the President of the United States is going to do everything he possibly can to resist that kind of cut in terms of education funding.

Now we know, as I have said before, the amounts of money do not necessarily indicate the solution to all of our problems. That is true in education as well. But what it does reflect is a nation's priorities—a nation's priorities. When you look over the record, for 1996, $3.7 billion; 1997, $1.5 billion; 1998, $2 billion; this year, 1999, $2 billion. That is reflected in the $420 million cut for title I, cutting back on the Eisenhower Teaching Program, cutting back on teacher technology, cutting back on the Afterschool Program, cutting back on the Year 2000 Program, zeroing out the Summer Jobs Program.

We can understand why the President and many of us—the Democratic leader, Senator DASCHLE, the Democratic leader in the House, DICK GEPHARDT—are saying we are not going to have an omnibus budget unless it protects education. In effect, that is what is happening in Washington. Surely, there are other priorities, but this is one identified by the President and the leaders, and the one which I believe is the overriding and overarching issue that those families across our country care most about.

Now, we have heard that in the past few days the Reading Excellence Act, which is basically the Literacy Program that passed in the Senate virtually unanimously, was tied up over in the House of Representatives, and when they effectively halted other kinds of action, that legislation was still hanging out there and would not have been approved unless put into this omnibus legislation.

When we understand that 40 percent of our children who are in the third and fourth grades cannot read properly, and when we understand that this is increasingly a problem, we are not going to be able to solve it all with our Reading Excellence Act, but we are going to be able to help and assist teachers who are attempting to set up literacy programs, who are tying into the Head Start Program, who are working with volunteers who reflect the interests of many of our young people who are working as volunteer teachers in the areas of literacy in our schools and colleges, with the Work-Study Program, which has been expanded significantly in the last couple of years.

I am proud that Massachusetts is ranked as the second State in the country in the number of volunteers in the Work-Study Program who are working with children in their communities on literacy. California is first; we are second. California better look out because we are increasing the number of our colleges that will be doing it. Close to 60 percent of all of our colleges scattered around our State of Massachusetts now are doing that. I believe every college ought to be involved. We ought to be challenging the young people in all of our colleges to give something back to the community. This program will provide that little seed

money to help assist those kinds of efforts in our States. That is an important program, and I understand has been agreed to.

We have the Afterschool Program which last year had been a $40 million program; this year, now, some $200 million. We have 5 million American children who are under 14 years of age who are left alone every afternoon in this country—5 million of them. And we wonder what happens when we see these kinds of charts that reflect the spiking up in indexes of violent crime right after school, at 3 o'clock in the afternoon; 3 o'clock to about 6 o'clock in the afternoon have the highest incidents. These people should be involved in afterschool programs. They are working. They are working in my own city of Boston. Not all the city of Boston has it, but Mayor Menino is working to improve these programs. This is a good $200 million program.

But that would not be there unless we had been battling—as in the past few days the President has—to have a modest program to try to help, to work through the nonprofit organizations, even some of those church-related groups, so children in this category can complete their homework in the afternoon. That way, when they go back home they can spend some quality time with their parents rather than come home and have the parents say, ''Jimmy, go upstairs and finish your homework.'' This happens. This is a family issue. These are two very, very modest but important programs.

But we have more to do, Mr. President. This important program reflects what has been happening in our schools across this country in terms of the total number of students going to the schools. We have seen, now, the escalation in the number of students; 53 million now are going. This number is increasing. The demography, the number of children going in, is putting additional burdens on local communities and States. All we are saying is let's be a partner with them. Let's be a partner with them.

We have listened on the floor to those saying, ''This is not a role for the Federal Government.'' You ask the parents. They want their child educated. They want a well trained teacher in a modern classroom with modern equipment so their child can learn. They want a partnership. With all due respect to our colleagues on the floor yesterday, talking about local control, saying, ''We ought to let the local communities make those judgments,'' the fact is, the local community has control, now, over 93 cents of every dollar that is spent at the present time. Only 7 cents out of that dollar is related to expenditures that are made by the Federal Government. That reflects a very narrow, targeted area of child needs like the title I programs for those children that come from economically deprived communities across this country, whether they are urban or rural communities.

It has been worked out with bipartisan support, that program and the programs that are related to the needs of disabled children and the other limited, targeted programs here. What we are saying, and what the President is saying, is this: With this escalation, we are going to need more teachers. Let us develop the help and assistance so we will have more teachers so these children, particularly in the most formative time of their lives, are going to be in smaller classes so the children will have 16, 17, 18—hopefully, 17 children in the first three grades. That is when the children coming out—perhaps the children coming from a Head Start Program, maybe others who are not, who are coming from some kindergarten, entering first grade—that is when they are making their decisions in terms of developing their confidence, developing their interests in academics. As we have heard from virtually every teacher across the country, the advantage of having that number of students is that a teacher can spend individual moments every single day with that child. That is enormously important.

The PRESIDING OFFICER. The Chair advises the Senator he now has 2 minutes remaining.

Mr. KENNEDY. Mr. President, this is the issue that still remains: Increasing the funding for teachers and also helping, assisting to try to do something about what the General Accounting Office has pointed out is the condition of schools all across this country. They say, to try to address the old schools, to modernize the old schools, nationwide, it would cost $110 billion. The President's program is only $22 billion. Listen to the conclusion, not of Democrats, not of Republicans, listen to the General Accounting Office that says:

> Virtually all communities, even some of the wealthiest, are wondering how to address school infrastructure needs while balancing them with other community priorities.

This is a national problem. We want to make sure our children are in the best classrooms with the best teachers and that they have the best opportunity to learn. This afternoon I will be going out with the President to the Forrest Knoll Elementary School just out in suburban Maryland. We are going to an event. The whole sixth grade is housed in trailers. The Forrest Knoll Elementary School was originally built to hold 450 students. It now teaches over 700 students.

We could find these kinds of conditions in communities, not only in urban, but in rural areas. We need the best local and State efforts, and also Federal help and assistance. That is what we are talking about in terms of modernization. That is what we are talking about in terms of enhanced teachers. These are priorities for American families. We ought to be able to work out a process, Republicans and Democrats alike, to try to address those very, very important and special needs. They are the No. 1 priorities for families in this country and we ought to, even in these final hours, we ought to be able to work through this process to make sure we are going to give our best efforts to the protection of children in our society, for their own interests and for our national interest.

It is in our national interest clearly, so America is going to be able to compete in a global economy and we are going to have the best trained and best educated children and young people in this world. We can do no less. We owe that to our country. That is a great deal of what this debate is about here in the Nation's Capitol, over the time we are meeting here today.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1998—CONFERENCE REPORT

Mr. THOMAS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the conference report to accompany S. 1260.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1260), have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 9, 1998.)

Mr. D'AMATO. Mr. President, I would like to encourage my Senate colleagues to support the conference report on S. 1260, the Securities Litigation Uniform Standards Act of 1998. The conference report is closely modeled on the bill that the Senate passed by an overwhelming bipartisan vote this spring, and that the Banking Committee reported by a vote of 14 to 4.

Mr. President, I believe that the conference report will also enjoy strong bipartisan support. The conference report is the result of a lot hard work and thoughtful consideration. The House and Senate committee staffs worked closely with the staff of the Securities and Exchange Commission to ensure the Commission's continued support for the legislation. Mr. President, I ask unanimous consent that the letter from the S.E.C. be printed in the RECORD.

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

SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, October 9, 1998.

Hon. ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

Hon. PAUL S. SARBANES,
Ranking Minority Member, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR CHAIRMAN D'AMATO AND SENATOR SARBANES: You have requested our views on S. 1260, the Securities Litigation Uniform Standards Act of 1998. We support this bill based on important assurances in the Statement of Managers that investors will be protected.[1]

The purpose of the bill is to help ensure that securities fraud class actions involving certain securities traded on national markets are governed by a single set of uniform standards. While preserving the right of individual investors to bring securities lawsuits wherever they choose, the bill generally provides that class actions can be brought only in federal court where they will be governed by federal law. In addition, the bill contains important legislative history that will eliminate confusion in the courts about the proper interpretation of the pleading standard found in the Private Securities Litigation Reform Act of 1995 and make clear that the uniform national standards contained in this bill will permit investors to continue to recover losses attributable to reckless misconduct.

We commend the Committee for its careful efforts to strike an appropriate balance between the rights of injured investors to bring class action lawsuits and those of our capital market participants who must defend against such suits.

As you know, we expressed various concerns over earlier drafts of the legislation. In particular, we stated that a uniform standard for securities fraud class actions that did not permit investors to recover losses for reckless misconduct would jeopardize the integrity of the securities markets. We appreciate your receptivity to our concerns and believe that as a result of our mutual efforts and constructive dialogue, this bill and the Statement of Managers address our concerns. The strong statement in the Statement of Managers that neither this bill nor the Reform Act was intended to alter existing liability standards under the Securities Exchange Act of 1934 will provide important assurances for investors that the uniform national standards created by this bill will continue to allow them to recover losses caused by reckless misconduct. The additional statement clarifying that the uniform pleading requirement in the Reform Act is the standard applied by the Second Circuit Court of Appeals will likewise benefit investors by helping to end confusion in the courts about the proper interpretation of that Act. Together, these statements will operate to assure that investors' rights will not be compromised in the pursuit of uniformity.

We are grateful to you and your staffs, as well as the other Members and their staffs, for working with us to improve this legislation and safeguard vital investor protections. We believe this bill and its Statement of Managers fairly address the concerns we have raised with you and will contribute to responsible and balanced reform of securities class action litigation.

Sincerely,

ARTHUR LEVITT,
Chairman.
ISAAC C. HUNT, Jr.,
Commissioner.
PAUL R. CAREY,
Commissioner.
LAURA S. UNGER,
Commissioner.

[1]Commissioner Norman S. Johnson continues to believe that this legislation is premature, at the least, for the reasons stated in his May 1998 prepared statement before the House Subcommittee on Finance and Hazardous Materials.

Mr. D'AMATO. Mr. President, the broadbased support that this bill enjoys is a tribute to Senators DOMENICI, GRAMM, and DODD, the chief cosponsors of its legislation. This bill provides a case study on how to get legislation done. They focused on solving a specific serious problem, and built a wide base of support for the bill. The problem to which I referred is a loophole that strike lawyers have found in the 1995 private securities litigation reform bill.

Mr. President, the 1995 act was enacted in the last Congress in response to a wave of harassment litigation that threatened the efficiency and integrity of our national stock markets, as well as the value of stock portfolios of individual investors. This threat was particularly debilitating to so-called high-tech companies who desperately need access to our capital markets for research, development and production of cutting-edge technology. These companies not only help to create jobs and drive our economic growth, they create substantial wealth for their shareholders. As one witness before the Securities Subcommittee testified:

> The continuing specter of frivolous strike suits poses still another threat to investors: the inordinate costs these suits impose on corporations—and ultimately on their shareholders.

Mr. President, that is a statement that bears repeating: that ultimately the cost of strike suits are borne by shareholders, including ordinary people saving for their children's education or retirement. It is these people, the ordinary investor, who foot the bill for high-price settlements of harassment litigation.

Now, let me make one thing clear—we are not talking about preventing legitimate litigation. Real plaintiffs with legitimate claims deserve their day in court. But we should not condone little more than a judicially sanctioned shakedown that only benefits strike lawyers. Companies that engage in fraudulent conduct should be held fully liable for their actions; however, companies should not be forced to settle cases that have no merit just to minimize their loses.

Mr. President, I want to express my gratitude to our colleagues in the House, particularly Commerce Committee Chairman BLILEY and Subcommittee Chairman OXLEY, for their continued cooperation and good will in a truly bicameral partnership to protect investors.

Mr. DODD. Mr. President. I rise today to offer my strong support for Senate passage of the conference report on S. 1260, the Securities Litigation Uniform Standards Act of 1998. This important bill will help to close a loophole that allows for the continuation of frivolous and abusive securities class action lawsuits, while ensuring that investors will still be able to bring suits when defendants have acted recklessly.

In 1995, the Congress enacted legislation, the Private Securities Litigation Reform Act, that was designed to curb the many abuses that had cropped up in that system over the years. Ironically, it was the very success of the 1995 act in shutting down avenues of abuse on the Federal level that created a new home for that abusive and frivolous litigation in state courts.

Prior to the enactment of the 1995 Reform Act, it was extremely unusual for a securities fraud class action suit to be brought in a state court. But by the end of 1996, it became clear from both the number of cases filed in state court and the nature of those claims, that a significant shift was underfoot as some lawyers sought to evade those provisions of the Reform Act that made it much more difficult to coerce a settlement.

John Olson, the noted securities law expert, testified in February before the Subcommittee on Securities that:

> In the years 1992 through 1994, only *six* issuers of publicly traded securities were sued for fraud in state class actions. In contrast, at least *seventy-seven* publicly traded issuers were sued in state court class actions between January 1, 1996 and June 30, 1997. Indeed, the increase in state court filings may be even greater than indicated by these dramatic statistics. Obtaining an accurate count of state court class actions is extraordinarily difficult, because there is no central repository of such data and plaintiffs are under no obligation to provide notice of the filing of such suits.

In April, 1997, the Securities and Exchange Commission staff report to Congress and the President found that:

> Many of the state cases are filed parallel to a federal court case in an apparent attempt to avoid some of the procedures imposed by the reform act, particularly the stay of discovery pending a motion to dismiss. This may be the most significant development in securities litigation post-reform act.

Even though the number of state class actions filed in 1997 was down from the high of 1996 it was still 50 percent higher than the average number filed in the 5 years prior to the Reform Act and it represented a significant jump in the number of parallel cases filed. 1998 looks to maintain those historically high levels.

This change in the number and nature of cases filed in State court has had two measurable, negative impacts. First, for those companies hit with potentially frivolous or abusive state court class actions, all of the cost and expense that the 1995 Reform Act sought to prevent are once again incurred.

Some might question whether a state class action can carry with it the same type of incentives that existed on the Federal level prior to 1995 to settle

even frivolous suits. In fact, they can and let me provide just one example of how this is so.

Adobe Systems, Inc., wrote to the Senate Banking Committee on April 23, 1998, about its experience with state class action lawsuits. As many of my colleagues know, one of the key components of the 1995 Reform Act was to allow judges to rule on a motion to dismiss prior to the commencement of the discovery process. Under the old system, Adobe had won a motion for summary dismissal but only after months of discovery by the plaintiff that cost the company more than $2.3 million in legal expenses and untold time and energy by company officials to produce tens of thousands of documents and numerous depositions. With the 1995 act in place, those kinds of expenses are far less likely to occur on the federal level.

But in an ongoing securities class action suit filed in California state court after passage of the 1995 act, Adobe has had to spend more than $1 million in legal expenses and has had to produce more than 44,000 pages of documents, all before the State judge is even able to entertain a motion for summary dismissal. In fact, in that April 23 letter to Banking Committee Chairman D'AMATO, Colleen Pouliot, Adobe's general counsel, noted that ''There are a number of California judicial decisions which permit a plaintiff to obtain discovery for the very purpose of amending a complaint to cure its legal insufficiencies.''

This one example makes clear that while Adobe, which has the resources for a costly and lengthy legal battle, might fight a meritless suit, these litigation costs provide a powerful incentive for most companies to settle these suits rather than incur such expenses.

The second clear impact of the migration of class action suits to state court is that it has caused companies to avoid using the safe harbor for forward looking statements that was a critical component of the 1995 Reform Act.

In this increasingly competitive market, investors are demanding more and more information from company officials about where it thinkgs that the company is heading.

The California Public Employees Pension System, one of the biggest institutional investors, in the nation stated that ''forward-looking statements provide extremely valuable and relevant information to investors.'' SEC Chairman Arthur Levitt also noted in 1995, the importance of such information in the marketplace:

> Our capital markets are built on the foundation of full and fair disclosure. . . . The more investors know and understand management's future plans and views, the sounder the valuation is of the company's securities and the more efficient the capital allocation process.

In recent years, the Securities and Exchange Commission, in recognition of this fact, sought to find ways to encourage companies to put such forward-looking into the marketplace. Congress, too, sought to encourage this and this effort ultimately culminated in the creation of a statutory safe harbor, so that companies need not fear a lawsuit if they did not meet their good-faith projections about future performance.

Unfortunately, the simple fact is that the fear of state court litigation is preventing companies from effectively using the safe harbor.

Again, the SEC's April 1997 study found that ''companies have been reluctant to provide significantly more forward looking disclosure than they had prior to enactment of the safe harbor.'' The report went on to cite the fear of state court litigation as one of the principal reasons for this failure.

Stanford Law School lecturer Michael Perino stated the case very well in a recent law review article:

> If one or more states do not have similar safe harbors, then issuers face potential state court lawsuits and liability for actions that do not violate federal standards. . . . for disclosures that are . . . released to market participants nationwide, the state with the most plaintiff-favorable rules for forward looking disclosures, rather than the federal government, is likely to set the standard to which corporations will conform.

If the migration of cases to state court were just a temporary phenomenon, then perhaps it would be appropriate for Congress to tell these companies and their millions of investors to simply grin and bear it, that it will all be over soon. But the SEC report contains the warning that this is no temporary trend: ''if state law provides advantages to plaintiffs in a particular case, it is reasonable to expect that plaintiffs' counsel will file suit in state court.''

The plain English translation of that is that any plaintiffs' lawyer worth his salt is going to file in state court if he feels it advantageous for his case; since most state courts do not provide the stay of discovery or a safe harbor, we're confronted with a likelihood of continued state court class actions.

While the frustration of the objectives of the 1995 Reform Act provide compelling reasons for congressional action, it is equally important to consider whether the proposition of creating a national standard of liability for nationally-traded securities makes sense in its own right.

I certainly believe it does.

In 1996, Congress passed the National Securities Markets Improvement Act which established a precedent of national treatment for securities that are nationally traded. In that act, Congress clearly and explicitly recognized that our securities markets were national in scope and that requiring that the securities that trade on those national markets comply with 52 separate jurisdictional requirements afforded little extra protection to investors and while imposing unnecessarily steep costs on raising capital.

Last July, then-SEC Commissioner Steven Wallman submitted testimony to the Securities Subcommittee in which he said:

> . . . disparate, and shifting, state litigation procedures may expose issuers to the potential for significant liability that cannot be easily evaluated in advance, or assessed when a statement is made. At a time when we are increasingly experiencing and encouraging national and international securities offerings and listing, and expending great effort to rationalize and streamline our securities markets, this fragmentation of investor remedies potentially imposes costs that outweigh the benefits. Rather than permit or foster fragmentation of our national system of securities litigation, we should give due consideration to the benefits flowing to investors from a uniform national approach.

At the same hearing, Keith Paul Bishop, then-California's top state securities regulator testified that:

> California believes in the federal system and the primary role of the states within that system. However, California does not believe that federal standards are improper when dealing with truly national markets. California businesses, their stockholders and their employees are all hurt by inordinate burdens on national markets. Our businesses must compete in a world market and they will be disadvantaged if they must continue to contend with 51 or more litigation standards.

SEC Chairman Arthur Levitt, at his reconfirmation hearing before the banking committee on March 26, 1998, said that the legislation we are debating today:

> [a]ddresses an issue that . . . deals with a certain level of irrationality. That to have two separate standards is not unlike if you had, in the state of Virginia, two speed limits, one for 60 miles an hour and one for 40 miles an hour. I think the havoc that would create with drivers is not dissimilar from the kind of disruption created by two separate standards [of litigation] and I have long felt that in some areas a single standard is desirable.

The message from all of these sources is clear and unequivocal: a uniform national standard of litigation is both sensible and appropriate.

The conference report under consideration today accomplishes that goal in the narrowest, most balanced way possible.

Before I discuss what the legislation will do, let me point out a few things that it won't do: it will not affect the ability of any state agency to bring any kind of enforcement action against any player in the securities markets; it will not affect the ability of any individual, or even a small group of individuals, to bring a suit in state court against the issuer of any security, nationally traded or not; it will not affect any suit, class action or otherwise, against penny stocks or any stock that is not traded on a national exchange; it will not affect any suits based upon corporate disclosure to existing shareholders required by state fiduciary duty laws; and, it will not alter the national scienter requirement to prevent shareholders from bringing suits against issuers or others who act recklessly.

There has been a lot of talk about this last point, so let me address it head-on.

It is true that in 1995, Congress wrestled with the idea of trying to establish a uniform definition of recklessness; but ultimately, the 1995 private securities litigation reform act was silent on the question of recklessness. While the act requires that plaintiffs plead ''facts giving rise to a strong inference that the defendant acted with the requisite state of mind * * *,'' the 1995 act at no point attempts to define that state of mind. Congress left that to courts to apply, just as they had been applying their definition of state of mind prior to 1995.

Unfortunately, a minority of district courts have tried to read into some of the legislative history of the reform act an intent to do away with recklessness as an actionable standard. I believe that these decisions are erroneous and cannot be supported by either the black letter of the statute nor by any meaningful examination of the legislative history.

There are several definitions of recklessness that operate in our courts today, and some of them are looser than others. But I agree with those who believe that reckless behavior is an extreme departure from the standards of ordinary care; a departure that is so blatant that the danger it presents to investors is either known to the defendant or is so obvious that he or she must have been aware of it.

The notion that Congress would condone such behavior by closing off private lawsuits against those who fall within that definition is just ludicrous.

And if, by some process of mischance and misunderstanding, investors lost their ability to bring suits based on that kind of scienter standard, I would be the first, though certainly not the last, Senator to introduce legislation to restore that standard.

The Statement of Managers that accompanies the conference report on S. 1260 clarifies any misconception that may exist on the part of some courts about congressional intent with unambiguous language:

> It is the clear understanding of the Managers that Congress did not, in adopting the Private Securities Litigation Reform Act of 1995 [PL 104–67], intend to alter the standards of liability under the Exchange Act.

Let me also address another issue that has been raised about recklessness. Some have suggested that while the PSLRA did not remove recklessness as a basis for liability, it was removed as a basis for pleading a securities fraud class action. This is just plain wrong.

Again, the Statement of Managers accompanying this legislation is instructive on this point:

> It was the intent of Congress, as was expressly stated during the legislative debate on the PSLRA, and particularly during the debate on overriding the President's veto, that the PSLRA establish a heightened uniform federal standard based upon the pleading standard applied by the Second Circuit Court of Appeals

The 1995 act clearly adopted the second circuit's pleading standards. The Statement of Managers accompanying this conference report definitively shows that it was also our intent that the application of that standard was also based upon the second circuit's application. While I agree that both this act and the 1995 act envision other courts following the most stringent of the second circuit's cases applying the pleading standard, we do expect other courts to look to the second circuit for guidance. Under the second circuit's most stringent application, the strong inference of the required state of mind may be pled by either alleging circumstantial evidence of scienter, or by alleging a rational economic motive and an opportunity to achieve concrete benefits through the fraud. Where motive is not apparent, the strength of the circumstantial allegations must be correspondingly greater.

Anyone who claims that either the 1995 act or S. 1260 raises the pleading standard beyond that point is engaged in wishful thinking—that kind of statement simply cannot be borne out by even the most cursory examination of either the statute or of the legislative history.

As I mentioned a moment ago, Mr. President, S. 1260 is a moderate, balanced and common sense approach to establishing a uniform national standard of litigation that will end the practice of meritless class action suits being brought in state court. This conference report keeps a very tight definition of class action and applies its standards only to those securities that have been previously defined in law as trading on a national exchange.

That is why, on March 15, the Securities and Exchange Commission stated that ''we support enactment of S. 1260''; and that is why again on October 8, the Commission again voiced its support by stating: ''we believe this bill and its Statement of Managers . . . will contribute to responsible and balanced reform of securities class action litigation.'' And that is why the Clinton administration has also expressed its support for the legislation.

In the final analysis, it is the millions of Americans who have invested their hard-earned dollars in these nationally traded companies and the men and women who will hold the new jobs that will be created as a result of newly available resources, whom we hope will be the real beneficiaries of the action that we take here today.

I strongly urge my colleagues to join the Securities and Exchange Commission, dozens of our colleagues, the Clinton administration, dozens of Governors, State legislators, and State securities regulators in supporting passage of the Securities Litigation Uniform Standards Act of 1998.

Mr. DOMENICI. Mr. President, I rise today in strong support of the conference report to S.1260, the ''Securities Litigation Reform Uniform Standards Act of 1998'' and I want to commend the Majority Leader for bringing this conference report to the floor for a vote prior to the Senate's adjournment. Few issues are more important to the high-tech community and the efficient operation of our capital markets than securities fraud lawsuit reform.

So today, I want to congratulate Senators D'AMATO, DODD, and GRAMM for all of their hard work on this legislation to provide one set of rules to govern securities fraud class actions.

This conference report completes the work I began more than six years ago with Senator Sanford of North Carolina. Back in the early 1990's, Senator Sanford and I noticed that a small group of entrepreneurial plaintiffs' lawyers were abusing our securities laws and the federal rules related to class action lawsuits to file frivolous claims against high-technology companies in federal courts.

Often these lawsuits were based simply on the fact that a company's stock price had fallen, without any real evidence of wrongdoing by the company. Senator Sanford and I realized a long time ago that stock price volatility-common in high tech stocks- simply is not stock fraud.

But, because it was so expensive and time consuming to fight these lawsuits, many companies settled even when they knew they were innocent of the charges leveled against them. The money used to pay for these frivolous lawsuits could have been used for research and development or to create new, high-paying jobs.

So, we introduced a bill to make some changes to the securities fraud class action system. Of course, the powerful plaintiffs' bar opposed our efforts, and the bill did not move very far along in the legislative process.

After Senator Sanford left the Senate, I found a new partner—the senior Senator from Connecticut, Senator DODD. Senator DODD and I continued to work hard on this issue and in 1995, with tremendous help from Chairman D'AMATO and Senator GRAMM, we succeeded in passing a law. The Private Securities Litigation Reform Act of 1995 passed Congress in an overwhelmingly bi-partisan way—over President Clinton's initial veto of the bill.

And since enactment of the 1995 law, we have seen great changes in the conduct of plaintiffs' class action lawyers in federal court. Because of more stringent pleading requirements, plaintiffs' lawyers no longer ''race to the courthouse'' to be the first to file securities class actions. Because of the new rules, we no longer have ''professional plaintiffs''—investors who buy a few shares of stock and then serve as sham named plaintiffs in multiple securities class actions. Other rules make it difficult for plaintiffs' lawyers to file lawsuits to force companies into settlement rather than face the expensive and time consuming ''fishing expedition'' discovery process.

From my perspective, it has begun to look like our new law has worked too well. Entrepreneurial trial lawyers

have begun filing similar claims in state court to avoid the new law's safeguards against frivolous and abusive lawsuits. Instead of one set of rules, we now have 51—one for the federal system and 50 different ones in the states.

According to the Securities and Exchange Commission, this migration of claims from federal court to state court ''may be the most significant development in securities litigation'' since the passage of the new law in 1995.

In fact, prior to passage of the new law in 1995, state courts rarely served as the forum for securities fraud lawsuits. Now, more than 25 percent of all securities class actions are brought in state court. A recent Price Waterhouse study found that the average number of state court class actions filed in 1996 (the first year after the new law) grew 335 percent over the 1991–1995 average. In 1997, state court filings were 150 percent greater than the 1991–1995 average.

So, there has been a tremendous increase in state securities fraud class actions. In fact, trial lawyers have testified to Congress that they have an obligation to file securities fraud lawsuits in state court if it provides a more attractive forum for their clients. Believe it or not, plaintiffs' lawyers actually admit that they are attempting to avoid federal law.

The increase in state court lawsuits also has prevented high-tech companies from taking advantage of one of the most significant reforms in the 1995 law—the safe harbor for forward-looking statements. Under the 1995 law, companies which make predictive statements are exempt from lawsuits based on those statements if they meet certain requirements. Companies are reluctant to use the safe harbor and make predictive statements because they fear that such statements could be used against them in state court. This fear stifles the free flow of important information to investors—certainly not a result we intended when we passed the new law.

So today, the Senate will vote to send to the President one set of rules for securities fraud cases. One uniform set of rules is critical for our high-technology community and our capital markets.

Without this legislation, the productivity of the high-tech industry—the fastest growing segment of our economy—will continue to be hamstrung by abusive, lawyer-driven lawsuits. Rather than spend their resources on R&D or creating new jobs, high-tech companies will continue to be forced to spend massive sums fending off frivolous lawsuits. That is unacceptable to this Senator.

When I first worked on this issue, executives at Intel Corporation told me that if they had been hit with a frivolous securities lawsuit early in the company's history, they likely never would have invented the microchip. We should not let that happen to the next generation of Intels.

This new law also will be important to our markets. Our capital markets are the envy of the world, and by definition are national in scope. Information provided by companies to the markets is directed to investors across the United States and throughout the world.

Under the Commerce Clause of the U.S. Constitution, Congress has the authority to regulate in areas affecting ''interstate commerce.'' I cannot imagine a more classic example of what constitutes ''interstate commerce'' than the purchase and sale of securities over a national exchange.

Not only does Congress have the authority to regulate in this area, it clearly is necessary and appropriate. Right now, in an environment where there are 50 different sets of rules, companies must take into account the most onerous state liability rules and tailor their conduct to those rules. If the liability rules in one state make it easier for entrepreneurial lawyers to bring frivolous lawsuits, that affects companies and the information available to investors in all other states. One uniform set of rules will eliminate that problem.

Mr. President, I again want to commend my colleagues for their work on this important bill. I understand that this is a bi-partisan effort, which has the support of the SEC and the Clinton Administration. I also want to thank my colleagues over in the House—Chairman BLILEY, Representative COX, and others who have worked so hard on this issue. This is the culmination of a tremendous amount of work, and I think that our capital markets, high-tech companies and our litigation system will be better served because of it.

Mr. DODD. Mr. President, S. 1260, the Securities Litigation Uniform Standards Act of 1998, is intended to create a uniform national standard for securities fraud class actions involving nationally-traded securities. In advocating enactment of uniform national standards for such actions, I firmly believe that the national standards must be fair ones that adequately protect investors. I hope that Senator D'AMATO, one of the architects of the Banking Committee's substitute, would engage in a colloquy with me on this point.

Mr. D'AMATO. I would be happy to.

Mr. DODD. At a hearing on S. 1260 last October, the Securities and Exchange Commission (SEC) voiced concern over some recent federal district court decisions on the state of mind—or scienter—requirement for pleading fraud that was adopted in the Private Securities Litigation Reform Act of 1995 ('95 Reform Act or PSLRA). According to the SEC, some federal district courts have concluded that the 1995 Reform Act adopted a pleading standard that was more rigorous than the second circuit's, which, at the time of enactment of the PSLRA, had the toughest pleading standards in the nation. Some of these courts have also suggested that the '95 Reform Act changed not only the pleading standard but also the standard for proving the scienter requirement. At the time we enacted the PSLRA, every federal court of appeals in the nation—ten in number—concluded that the scienter requirement could be met by proof of recklessness.

Mr. D'AMATO. I am sympathetic to the SEC's concerns. In acting now to establish uniform national standards, it is important that we make clear our understanding of the standards created by the '95 Reform Act because those are the standards that will apply if S. 1260 is enacted into law. My clear intent in 1995, and my understanding today, is that the PSLRA did not in any way alter the scienter standard in federal securities fraud lawsuits. The '95 Reform Act requires plaintiffs, and I quote, ''to state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind.'' The '95 Reform Act makes no attempt to alter or define that state of mind. In addition, it was my intent in 1995, and it is my understanding today, that the 1995 Reform Act adopted the pleading standard applied in the second circuit.

Mr. DODD. I agree with the comments of my colleague from New York. I, too, did not intend for the PSLRA to alter the state of mind requirement in securities fraud lawsuits or to adopt a pleading standard more stringent than that of the second circuit. In fact, I specifically stated during the legislative debates preceding and following the President's veto that the 1995 Reform Act adopted the second circuit's pleading standard. This continues to be my understanding and intent today. Ensuring that the scienter standard includes reckless misconduct is critical to investor protection. Creating a higher scienter standard would lessen the incentives for issuers of securities to conduct a full inquiry into potentially troublesome areas and could therefore damage the disclosure process that has made our markets a model for other nations. The U.S. securities markets are the envy of the world precisely because investors at home and abroad have enormous confidence in the way our markets operate. Altering the scienter standard in the way envisioned by some of these district court decisions could be very damaging to that confidence.

Mr. D'AMATO. My friend from Connecticut is correct. The federal securities laws must include a scienter requirement that adequately protects investors. I was surprised and dismayed to learn that some district court decisions had not followed the clear language of the 1995 Reform Act, which is the basis upon which the uniform national standard in today's legislation will be created.

Mr. DODD. It appears that these district courts have misread the language of the 1995 Reform Act's ''Statement of

Managers.'' As I made clear in the legislative debate following the President's veto, however, the disputed language in the Statement of Managers was simply meant to explain that the conference committee omitted the Specter amendment because that amendment did not adequately reflect existing second circuit caselaw on the pleading standard. I can only hope that when the issue reaches the federal courts of appeals, these courts will undertake a more thorough review of the legislative history and correct these decisions. While I trust that the courts will ultimately honor Congress' clear intent, should the Supreme Court eventually find that recklessness no longer suffices to meet the scienter standard, it is my intent to introduce legislation that would explicitly restore recklessness as the pleading and liability standard for federal securities fraud lawsuits. I imagine that I would not be alone in this endeavor, and I ask my good friend from New York whether he would join me in introducing such legislation?

Mr. D'AMATO. I say to the Senator from Connecticut that I would be pleased to work with him to introduce such legislation under those circumstances. I agree that investors must be allowed a means to recover losses caused by reckless misconduct. Should the courts deprive investors of this important protection, such legislation would be in order.

Mr. DODD. I thank the Senator from New York, the chairman of the Banking Committee, for his leadership on this bill and for engaging in this colloquy with me. In proceeding to create uniform national standards while some issues concerning the 1995 Reform Act are still being decided by the courts, we must act based on what we intended and understand the 1995 Reform Act to mean. As a sponsor of both the Senate bill that became the 1995 Reform Act and the bill, S. 1260, that we are debating today, I am glad that we have had this opportunity to clarify how the PSLRA's pleading standards will function as the uniform national standards to be created in S. 1260, the Securities Litigation Uniform Standards Act of 1998.

Mr. SARBANES. Mr. President, I opposed the securities litigation preemption bill when it was before the Senate. I am sorry to see that the conference report now before us is no better. I continue to believe that this bill is a solution in search of a problem, and that it will do more harm than good.

Why do I call this bill a solution in search of a problem? Because there has been no explosion in frivolous lawsuits filed in State court. The supporters of this bill allege that class action lawsuits alleging securities fraud have migrated from Federal court to State court since 1995. In fact, as I have pointed out previously, every study indicates that the number of securities fraud class actions brought in State court increased in 1996 but then declined in 1997.

Why do I say this bill will do more harm than good? Because this bill likely will deprive individual investors of their opportunities to bring their own actions in State court, separate and apart from class actions. Although the bill's supporters suggest that it deals only with class actions, in fact the scope of the bill is much broader. The bill's definition of ''class action'' will pick up, against their will, individuals who choose to file their own lawsuits under State law.

These shortcomings were not remedied in conference. Indeed, the one improvement made to the bill on the Senate floor was weakened in conference. Senators will remember that the Senate adopted an amendment to this bill, offered by Senators BRYAN, JOHNSON, BIDEN, and myself. The amendment exempted State and local governments and their pension funds from the coverage of the bill. The conference report now before us weakens this provision. The conference report contains the House-passed version, which requires that State and local governments be named plaintiffs and authorize participation in the specific suit. This version offers scant protection to State and local officials. The Government Finance Officers Association, Municipal Treasurers Association, National Association of Counties, National League of Cities wrote to us concerning this provision on September 28, 1998. Their letter states, ''many smaller governments and small pension plans are unable to keep abreast of pending actions. Thus, any affirmative steps on their part may not occur simply because they are unaware of the existence of such a case.'' These organizations expressed their strong support for the Senate version of this provision, only to be ignored by the conference committee.

On a positive note, I am pleased that the Statement of the Conference Committee makes clear that neither this bill nor the Litigation Reform Act of 1995 alter the scienter standard applied by the courts under the Securities Exchange Act of 1934. Courts in every Federal circuit in the country hold that reckless conduct constitutes scienter sufficient to establish a violation of section 10(b) and rule 10b–5, the principal antifraud provision of the 1934 act. Chairman Levitt of the SEC has described the recklessness standard as ''critically important'' to ''the integrity of the securities markets.''

For the reasons I have described, a broad coalition of State and local officials, senior citizen groups, labor unions, academics, and consumer groups oppose this bill. They oppose it because it may deprive defrauded investors of remedies. The headline of a column by Ben Stein in the USA Today newspaper of April 28, 1998, summarizes this opposition: ''Investors, beware: Last door to fight fraud could close.'' He wrote of this bill, ''state remedies . . . would simply vanish, and anyone who wanted to sue would have to go into federal court, where . . . impossible standards exist.'' He warned, ''this is serious business for the whole investing public.'' the associations of public officials I have cited are concerned about this bill because they invest taxpayers' funds and public employees' pension funds in securities, and fear they will be left without remedies if they are defrauded. Over two dozen law professors, including such nationally recognized securities law experts as John Coffee, Joel Seligman, and Marc Steinberg, expressed their opposition in a letter earlier this year. They oppose any legislation ''that would deny investors their right to sue for securities fraud under state law.'' Similarly, the New York State Bar Association opposes this bill. A report prepared by the bar association's section on commercial and Federal litigation concluded, ''the existing data does not establish a need for the legislation'' and ''the proposed solution far exceeds any appropriate level of remedy for the perceived problem.'' I would also like to point out the opposition of the American Association of Retired Persons, the Consumer Federation of America, the AFL–CIO, the American Federation of State, County and Municipal Employees, and the United Mine Workers.

I urge Senators, out of caution, to vote against this conference report. The recent bull market was the longest in history, and bull markets tend to conceal investment frauds. Should the decline in stock market values continue, it is likely that frauds will be uncovered. The level of participation in the stock market by America's families is at a record level, both directly through ownership of stocks and indirectly through pension funds and mutual funds. Should this bill be enacted, investors will find their State court remedies eliminated. In too many cases, investors will be left without any effective remedies at all. Such a result can only harm innocent investors, undermine public confidence in the securities markets, and ultimately raise the cost of capital for deserving American businesses.

Mr. President, I ask that an exchange of correspondence between Chairman Levitt and Senators D'AMATO, GRAMM, and DODD be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, March 24, 1998.

Hon. ARTHUR LEVITT,
Chairman, Securities and Exchange Commission, Washington, DC.

DEAR CHAIRMAN LEVITT AND MEMBERS OF THE COMMISSION: We are writing to request your views on S.1260, the Securities Litigation Uniform Standards Act of 1997. As you know, our staff has been working closely with the Commission to resolve a number of technical issues that more properly focus the scope of the legislation as introduced. We attach for your review the amendments to the

legislation that we intend to incorporate into the bill at the Banking Committee mark-up.

On a separate but related issue, we are aware of the Commission's long-standing concern with respect to the potential scienter requirements under a national standard for litigation. We understand that this concern arises out of certain district courts' interpretation of the Private Securities Litigation Reform Act of 1995. In that regard, we emphasize that our clear intent in 1995—and our understanding today—was that the PSLRA did not in any way alter the scienter standard in federal securities fraud suits. It was our intent, as we expressly stated during the legislative debate in 1995, particularly during the debate on overriding the President's veto, that the PSLRA adopt the pleading standard applied in the Second Circuit. Indeed, the express language of the statute itself carefully provides that plaintiffs must ''state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind''; the law makes no attempt to define that state of mind. We intend to restate these facts about the '95 Act in both the legislative history and the floor debate that will accompany S. 1260, should it be favorably reported by the Banking Committee.

Sincerely,

ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing & Urban Affairs.
PHIL GRAMM,
Chairman, Subcommittee on Securities.
CHRISTOPHER J. DODD,
Ranking Member, Subcommittee on Securities.

SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, March 24, 1998.

Hon. ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing, and Urban Affairs,
U.S. Senate, Washington, DC.
Hon. PHIL GRAMM,
Chairman, Subcommittee on Securities,
U.S. Senate, Washington, DC.
Hon. CHRISTOPHER J. DODD,
Ranking Member, Subcommittee on Securities,
U.S. Senate, Washington, DC.

DEAR CHAIRMAN D'AMATO, CHAIRMAN GRAMM, AND SENATOR DODD: You have requested our views on S. 1260, the Securities Litigation Uniform Standards Act of 1997, and amendments to the legislation which you intend to offer when the bill is marked-up by the Banking Committee. This letter will present the Commission's position on the bill and proposed amendment.*

The purpose of the bill is to help ensure that securities fraud class actions involving certain securities traded on national markets are governed by a single set of uniform standards. While preserving the right of individual investors to bring securities lawsuits wherever they choose, the bill generally provides that class actions can be brought only in federal court where they will be governed by federal law.

As you know, when the Commission testified before the Securities Subcommittee of the Senate Banking Committee in October 1997, we identified several concerns about S. 1260. In particular, we stated that a uniform standard for securities fraud class actions that did not permit investors to recover losses attributable to reckless misconduct would jeopardize the integrity of the securities markets. In light of this profound concern, we were gratified by the language in your letter of today agreeing to restate in S. 1260's legislative history, and in the expected debate on the Senate floor, that the Private Securities Litigation Reform Act of 1995 did not, and was not intended to, alter the well-recognized and critically important scienter standard.

Our October 1997 testimony also pointed out that S. 1260 could be interpreted to preempt certain state corporate governance claims, a consequence that we believed was neither intended nor desirable. In addition, we expressed concern that S. 1260's definition of class action appeared to be unnecessarily broad. We are grateful for your responsiveness to these concerns and believe that the amendments you propose to offer at the Banking Committee mark-up, as attached to your letter, will successfully resolve these issues.

The ongoing dialogue between our staffs has been constructive. The result of this dialogue, we believe, is an improved bill with legislative history that makes clear, by reference to the legislative debate in 1995, that Congress did not alter in any way the recklessness standard when it enacted the Reform Act. This will help to diminish confusion in the courts about the proper interpretation of that Act and add important assurances that the uniform standards provided by S. 1260 will contain this vital investor protection.

We support enactment of S. 1260 with these changes and with this important legislative history.

We appreciate the opportunity to comment on the legislation, and of course remain committed to working with the Committee as S. 1260 moves through the legislative process.

Sincerely,

ARTHUR LEVITT,
Chairman,
ISAAC C. HUNT, Jr.,
Commissioner.
LAURA S. UNGER,
Commissioner.

Mr. THOMAS. Mr. President, I ask unanimous consent that the conference report be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the conference report appear at this point in the RECORD.

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

The conference report was agreed to.

Mr. THOMAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I want to congratulate the Presiding Officer for his work in disposing of the conference report on S. 1260, the securities litigation legislation. I appreciate very much that at long last this legislation is now going to become law. This is a bill that is widely supported on both sides of the aisle.

A number of Senators have had a lot of opportunities to take some responsibility for the fact that this passed. I want to cite one Senator, in particular, who deserves great credit. That is the Senator from California, Senator BOXER. She has been a persistent advocate and one who has been extraordinarily engaged in this matter now for some time. I talked with her again this morning because she was calling about the status of the legislation. I was able to report that it was my expectation we would be able to finish our consideration of the bill today, and thanks to the agreement we have been able to reach on both sides of the aisle with Senators who have been as involved as the Senator from Wyoming has, we have now reached this point.

I congratulate all who have had a part to play in our success, and particularly the Senator from California, for her persistence, for her leadership, and the effort she has made to bring us to this point.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

HONORING WALTER SELLERS

Mr. DEWINE. Mr. President, I rise today to pay tribute to the distinguished career of Walter G. Sellers of Wilberforce, Ohio—who has recently completed his term as president of Kiwanis International.

Mr. Sellers is the first African-American to serve as Kiwanis International President. For 32 years, he was a member of the Kiwanis Club in Xenia, Ohio. In 1990, he was elected to the Kiwanis International Board of Trustees. He served as Vice President and Treasurer before becoming President.

All Ohioans are proud of Mr. Sellers' outstanding stewardship of one of the largest service clubs in the world. But we also know that his service to our community extends beyond his work with the Kiwanis organization. He has served as President of the Xenia Board of Education and President of the Ohio School Boards Association. And he has done great work on many other public-service boards in Ohio.

Walter Sellers has dedicated his life to improving the lives of the people of Ohio, especially in the field of education. We are all extremely grateful for his efforts—and I ask my colleagues to join me in wishing him all the best in his next endeavors.

Mr. President, on a personal note, I have known Walt Sellers for many, many years as a community leader in my home county of Greene County. I also have known Walt for the great work he has done at Central State. I know when I served on the Board of Trustees at Central State in the late

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*We understand that Commissioner Johnson will write separately to express his differing views. Commissioner Carey is not participating.

1970s, Walter was there to help guide. So he has been a great asset to that wonderful institution as well.

STAFF TRIBUTE TO SENATOR JOHN GLENN

Mr. DEWINE. Mr. President, as my colleagues well know, my distinguished colleague from Ohio, JOHN GLENN, is busily preparing for his extraordinary and inspirational return to space. As our best wishes are with him and his wife Annie as they begin the next chapter in their wonderful lives, I would like to take a moment to read a fine tribute to Senator GLENN by those who also dedicated their lives to public service—as members of JOHN GLENN's staff. I am honored to read the following letter addressed to him:

OCTOBER 9, 1998.

The Hon. JOHN GLENN,
U.S. Senator, Washington, DC.

DEAR SENATOR: As your four terms in the United States Senate come to a close and as you prepare to return to space for the first time since your historic 1962 orbital flight, those who have had the honor and the privilege to serve as members of your Senate staff would like to express our gratitude to you.

Although there have been many staff changes over the years, you have allowed us to pursue extraordinary careers in government and experience opportunities that few can ever know. Some of us have been on your staff since 1975 and many more have served well beyond the average tenure. Beyond our professional careers, you and Annie have made us feel welcome. You generously shared your time with us as our families and children have grown. Your commitment to family is evident in your 55 years of marriage to Annie and that example must have contributed to the eight office marriages in which both spouses first met as staff members.

We have always been proud to assist a public servant who is held in such high regard. We witnessed that admiration and respect firsthand as we accompanied you in your travels throughout the country and around the world and when we see the many people who come to your offices to conduct business.

Your patriotic service in war and peace, in space and in the Senate is an inspiration to us. While you remind us that there may be no cure for the common birthday, you have proven time and again that with determination and hard work dreams do come true.

Thank you for helping our dreams come true, too. Godspeed John Glenn.

Mary Jane Veno, 1975; Christine S. McCreary, 1975; Patricia J. Buckheit, 1975; Ernestine J. Hunter, 1975; Barbara Perry, 1975; Diane Lifsey, 1975; Kathy Connolly, 1975; Linda K. Dillon, 1977; Dale Butland, 1980; Peggy McCauley, 1980.

Ron Grimes, 1984; Kathleen Long, 1984; Don Mitchell, 1984; Michael Slater, 1985; Rosemary Matthews, 1985; Peter McAlister, 1987; Jack Sparks, 1989; Micole C. Dauray, 1989; Shannon L. Watson, 1989; Tonya McKirgan, 1990.

Suzanne McKenna, 1990; Sebastian O'Kelly, 1990; Vicki Butland, 1991; Nathan Coffman, 1992; Holly Koerber, 1993; Mike Entinghe, 1993; Vickie Eckard, 1993; Bryce Level, 1993; J.P. Stevens, 1994.

Kevin Cooper, 1995; Alberta Easter, 1995; Holly Kinnamon, 1996; Jan Papez, 1995; Ayris Price, 1996; David McCain, 1997; Yolanda Brock, 1997; Jill Jacobs, 1997; Dan Emerine, 1997.

Marc Saint Louis, 1997; Coleen Mason, 1997; Rochelle Sturtevant, 1997; Elizabeth Stein, 1997; John Hoctor, 1997; Rob Mosher, 1997; Mary Goldberg, 1998; Maggie Diaz, 1998; Christopher Davis, 1998.

Mr. President, all of us share the sentiments expressed in this heart-warming tribute. It is a reminder of how fortunate we are to have the opportunity to work with dedicated staff who share our pride in representing our fellow citizens in the United States Senate.

ASTHMA

Mr. DEWINE. Mr. President, I rise today to talk about a landmark report released a week ago about asthma, and about how well we as a Nation are dealing with it. The report, called ''Asthma in America'', frankly concludes that we are doing a poor job. Asthma is a disease that we know how to treat and that we know how to manage. But every year, thousands of Americans die from asthma—and millions more have to be rushed to hospitals to treat emergency asthma symptoms. Let me repeat—we have people dying from asthma—even though we know how to treat this disease. This really is something that we as a nation must address.

Mr. President, there's been enough public attention about asthma that I would hope we all know the basics by now. But let me restate some basic facts. Asthma is a chronic lung disease caused by inflammation of the lower airways. During an asthma attack, these airways narrow—making it difficult and sometimes impossible to breathe.

Nearly 15 million Americans have asthma—and 5 million of them are children. for some reason, the prevalence of asthma is rising—in the last two decades, the number of asthma cases have doubled.

The good news for the 15 million Americans with asthma is that we know a lot about how to treat and manage the disease. We know how to handle asthma attacks once they occur. The most common way, of course, is to use one of the types of asthma inhalers, inhalers such as the one I carry with me just about every day. Millions of Americans use this type of inhaler. Importantly, we now know a lot about how to prevent asthma attacks. Through drug therapy and through avoiding many well-known triggers that cause asthma attacks, we know enough to make sure these attacks and other complications from asthma are rare indeed. In fact, our knowledge is comprehensive enough that the National Institutes of Health have set some ambitious—but reachable—goals for asthma treatment. For example, one of the NIH goals is zero missed days of school or work. Given what we know, we should be able to reach this and the other goals NIH has set. At a minimum, we should be able to come close.

But the bad news for Americans with asthma is that we are not managing this disease well—and we are not coming anywhere close to meeting the NIH goals. This is the bad news that was spelled out very clearly in the Asthma in America report. Let me go over a few of the findings from the report.

The NIH goal is that Americans with asthma miss zero days of work or school. But the report tells us that 49 percent of children with asthma and 25 percent of adults with asthma missed school or work because of the disease last year.

The NIH goal is that the sleep of people with asthma should not be disrupted by difficulty to breathe. But the report tells us that almost one in three asthma patients awaken with breathing problems at least once a week.

The NIH goal is that we have only a small need for emergency room visits or hospitalizations due to asthma attacks. But the report tells us that nearly six million Americans were hospitalized, treated in emergency rooms, or required other urgent care for asthma in the last year. One out of every three children with asthma—about 1.5 million of them—had to go to an emergency room because of asthma.

The NIH goal is that individuals with asthma should be able to maintain normal activity levels. But the Asthma in America survey shows that 48 percent of asthma patients say that asthma limits their ability to participate in sports and recreational activities, and 36 percent have difficulty maintaining their usual levels of physical activity.

Mr. President, all of this is simply unacceptable. If we know how to do better, we must do better. As a nation, we need to seriously evaluate why these shortcomings in the treatment of asthma remain—despite the fact that we do know better. All of us—policymakers; doctors; health insurance companies and HMOs; people with asthma and parents of children with asthma—all of us need to look at this report and try to figure out what's going wrong.

The report released Tuesday should be viewed as a wake-up call. We knew there were some problems with how well we deal with asthma, but I don't think anybody realized it was this bad. We must and can do better.

For example, Asthma in America suggests that one of the reasons we are not meeting the national goals for asthma is lack of knowledge among patients. Many of the survey participants were not able to state what the underlying cause of asthma is, how asthma medication should be used, and how to prevent asthma attacks from occurring. It is clear that we should be doing a better job of educating patients, their families and health care providers about the importance of properly managing asthma.

As a United States Senator, as an American with asthma, and as the father whose children have had asthma, I intend to look at this issue to see what I can do personally and what the federal government can do to address the shortcomings in asthma treatment this

report reveals. We only have a day or two left in the 105th Congress. But if we need legislation—if we need greater resources to deal with this problem—I will do everything I can to make sure the 106th Congress addresses this issue and does what is necessary.

STRENGTHENING ABUSE AND NEGLECT COURTS ACT OF 1998

Mr. DEWINE. Mr. President, I rise today to introduce a bill that will help protect America's abused children. The bill is called the Strengthening Abuse and Neglect Courts Act of 1998. I am very proud to be joined in this effort by Senators ROCKEFELLER, LANDRIEU, and CHAFEE. I realize that time is running very short in this Congress, so my cosponsors and I will look to move this legislation during the next Congress.

Mr. President, last year Congress passed a historic piece of legislation called the Adoption and Safe Families Act. The purpose of that bill was to encourage safe and permanent family placements for abused and neglected children—and to decrease the amount of time they have to stay in the foster care system.

One of the requirements of that new law is more timely decisionmaking by the courts with regard to adoption and other permanent placements for children. The time-lines instituted by the Adoption and Safe Families Act, however, have increased the pressure on already overburdened courts that deal with abused and neglected children.

If we provide assistance to the courts—so that administrative efficiency and effectiveness are improved—the goals of last year's important legislation will be more readily achieved. Improved courts will help more children find permanent homes more quickly.

That is the purpose of the bill I am introducing today. While acknowledging that abuse and neglect courts are already committed to quality administration of justice, this bill would further strengthen the efficiency and effectiveness of the courts in the following five areas:

(1) Grants to State courts and local courts to automate data collection and tracking of proceedings in abuse and neglect courts. This would improve administrative efficiency and help evaluate overall performance—and it would also develop computer systems that can be replicated in other jurisdictions.

(2) Grants to reduce pending backlogs of abuse and neglect cases. These grants will go to courts in order to reduce and hopefully eliminate the backlog of cases awaiting disposition. The courts are given the flexibility to determine what method to use to reduce their backlog, but suggestions include establishing night court sessions, hiring additional court personnel or extending the courts operating hours.

(3) Development of ''good practice'' standards for agency attorneys. This would improve the quality of representation for children in the abuse and neglect system to ensure that their best interests are considered.

(4) Improved training (and cross-trainings) for judges, abuse and neglect attorneys, and court personnel. In this, as in so many areas, it's crucial that people with a special task receive special training. This bill would partially reimburse States for training of judges, judicial personnel, agency attorney's and attorneys representing children and parents in abuse and neglect proceedings. It would also help fund cross-training between court and agency.

(5) Technical assistance for the development of and education on ''good practice'' standards for attorneys practicing in abuse and neglect proceedings. The bill authorizes technical assistance funding to support abuse and neglect courts in the implementation of the Adoption and Safe Families Act.

(5) Expansion of the Court Appointed Special Advocate (CASA) Program into underserved areas. The CASA Program has proven to be effective in ensuring that children in the foster care system are protected and receive appropriate services. This bill would help CASA expand its programs in the 15 largest urban areas and develop multi-jurisdictional programs in under-served rural areas, so that more children receive the benefit of their services.

When we passed the Adoption and Safe Families Act last year, I said that the bill is a good start, but that Congress will have to do more to make sure that every child has the opportunity to live in a safe, stable, loving and permanent home. One of the essential ingredients in this process is an efficiently operating court system. After all, that's where a lot of delays occur—for children who need permanent homes. The courts have been neglected throughout the years and while other areas of child welfare have been emphasized and funded, the courts have been left out of the process almost entirely.

It is my hope that with the introduction of this bill, we will start to change that syndrome—and make sure that courts will finally receive the funding and training they need to make a positive difference in the lives of some of America's most at-risk young people.

The PRESIDING OFFICER. The Senator is reminded of the 5-minute rule.

Mr. DEWINE. I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

RETIREMENT OF DAN COATS

Mr. GORTON. Mr. President, at this desk on the floor of the Senate, I am surrounded by Indiana—the senior Senator from Indiana on my left, the junior Senator from Indiana on my right. Together, they have come to reflect the character of their sober, peaceful, and productive section of middle America. So close are the two Senators to one another, almost alone among Members of this body, they share offices in the State of Indiana, they share a strong and calm temperament, and they share a commitment to the people they represent and to the people of the United States.

When this Congress adjourns in a few short hours, however, we will be losing one of those Senators, DAN COATS. DAN COATS has grown in wisdom and in the respect that his fellow Senators have for him in each of the 10 years during which he has served in the Senate—10 years that seem to me, in retrospect, to be all too short. With DAN COATS, what you see is what you get, a man who lives and defends and projects solid American values, a love of family, a love of country, a love of God, a man who works hard, a man whose convictions are strong and unshakeable but who combines with those convictions a willingness to listen to views different from his own and to reach accommodations on matters of policy when those accommodations do not shake his solid philosophical foundation.

During the course of his 10 years in the Senate, DAN COATS has become a good friend. I do not believe I can say that he is my closest friend in the Senate, nor I his. I can say, however, that I will greatly miss his calm good humor, his ability to get to the central point of any debate over policy or political philosophy, his rich dedication to the Constitution of the United States, to this body, and to the friends he has made in this body.

We are only 100 men and women in the Senate, Mr. President. We see a great deal of one another, and we see ourselves and our colleagues under great stress and under high pressures. As a consequence, it is very difficult for any of us to hide the vital features of our character or our personality from one another. DAN COATS, I must say, has never attempted to hide anything about his character or about his personality, and with me and with all of us it has worn well. He is the kind of individual whom you like and respect more and more with each passing day, and it is for just that reason that even if this Congress ends up by accomplishing many of the purposes that each of us as individuals set out to accomplish at the beginning of this Congress, we will still go home with an empty heart, knowing that those of us who return in January will return without the daily advice, counsel, and friendship of a magnificent U.S. Senator, DAN COATS of Indiana.

CHILD NUTRITION REAUTHORIZATION

Mr. LEAHY. Mr. President, there is an old saying that ''where there is a will, there is a way.'' That is very true of this Congress.

Congress can work together when it wants to get a job done, when Members focus on resolving issues rather than sound bites for the nightly news. I was pleased for example, to have worked with Senators BENNETT, HATCH, DODD,

and many other on complex computer issues in the Y2K readiness bill, which we were able to pass without objection in the Senate.

It is unfortunate that sometimes when Congress quietly and effectively gets its job done, there is little press interest. So, for a moment I want to draw attention to the child nutrition bill, which Congress passed by working together.

I want to pull everyone's attention away from the maelstrom to thank Members of Congress on both sides of the aisle and their staffs for a job well done on the child nutrition bill.

At conference with the House, I asked that this child nutrition bill be named in honor of Congressman BILL GOODLING. The motion was immediately and unanimously accepted. For years he has worked to improve these programs. This will be his last reauthorization effort and we will miss his touch and his leadership the next time around.

I want to also thank Lynn Selmser who has been Chairman GOODLING's chief nutrition advisor for years. She has worked hard on these issues and deserves a great deal of credit.

The Democratic conferees, Congressman MARTINEZ of California and Congressman BILL CLAY of Missouri, and their staffs, greatly contributed to this effort and kept the interests of children front and center.

On the Senate side we worked together as a team. That is an even greater compliment than normal considering all the other issues facing the country.

Of course, Chairman LUGAR set the bipartisan course and carefully included all of us in the process. He has extended to me every courtesy and is a great chairman who is tough but fair to all Members. His chief counsel, Dave Johnson, has done, as he has always done in the past, an outstanding job from a legal and policy standpoint.

I switched places with my good friend Senator HARKIN a couple years ago. I took his job as ranking member on the nutrition subcommittee and he took mine as ranking member on the full Agriculture Committee. Senator HARKIN is a fighter for children and these programs and Iowa should be proud of his accomplishments.

Mark Halverson, his chief counsel on the committee, has been his nutrition advisor for years and handles these matter with great skill.

Senator MCCONNELL is chairman of the nutrition subcommittee and we have worked together for years to help improve and strengthen these programs. I was pleased that the Kentucky and Iowa child care pilot projects were made permanent by this bill. Dave Hovermale has done a superb job on these issues.

The third Republican Conferee, Senator COCHRAN, is also the Chairman of the Agriculture Subcommittee of the Appropriations Committee. That is a lot of clout and it was well used to strengthen these child nutrition programs. I want to compliment Senator COCHRAN's agriculture staff person, Hunt Shipman, who has worked on these issues for years and has done a tremendous job. Senator COCHRAN, with my full support when I was chairman, helped to create the School Food Service Management Institute. I am pleased that this bill increases funding for that Institute and makes it permanent.

I want to also thank Ed Barron of my staff who has advised me on nutrition issues and legislation for almost twelve years. I know that Senators on both sides of the aisle seek his advice on nutrition legislation.

I also want to thank Michelle Barrett, who is on my staff, for helping out regarding these nutrition issues.

USDA Food, Nutrition and Consumer Services Under Secretary Shirley Watkins has done a marvelous job in promoting child nutrition and getting these programs and Department of Agriculture moving forward. The President made a marvelous choice in sending her name to the Senate. I greatly appreciate her leadership and dedication. Her deputy, Julie Paradis, distinguished herself for years as a lead nutrition staff person for the House Agriculture Committee. She has done a wonderful job at USDA and I greatly enjoy working with her. USDA's ''Chairman's Hunger Initiative for Learning and Development'' contains important recommendations to the Congress and the country and was helpful in this legislative process.

Also, I have appreciated the valuable input provided by the American School Food Service Association and their counsel Marshall Matz. Their Legislative Issue Papers and careful analysis of these matters makes our job easier.

The Food Research and Action Center helps galvanize grassroots supports for these nutrition efforts. Their excellent report, ''Schools Out, Let's Eat,'' on the Child and Adult Care Food Program presented excellent examples and information.

I appreciate the efforts of my fellow Vermonter Dr. Dick Narkewitz who was chair of a major WIC advisory panel this year. I have always valued his advice and counsel on WIC and other infant health issues.

I also want to mention the valuable assistance of the National Association of WIC Directors and their executive director Doug Greenaway. They have always made solid recommendations to the Congress.

The Food and Nutrition Service is an extremely well run agency and has very dedicated, professional and intelligent staff who do an outstanding job for this nation. Simple stated, FNS is top-notch.

Also, Joe Richardson and Jean Jones of the CRS have provided Congress with extremely helpful information and advice over the year—24 hours a day if needed. I know that Members on both sides of the aisle have the highest regard for them.

Also, working with Chairman LUGAR on nutrition issues is Danny Spellacy who is a rising star within the ranks.

Every four or five years the Congress takes a very careful look at its child nutrition programs. These programs are important to America's children and thus are important to America's future. Many teachers tell me they were surprised to learn how many children come to school hungry. There could be many reasons for this: extreme poverty, a dysfunctional family, child abuse or other nightmares heaped on young children.

Ed Barron's mother, Dorothy Barron, works for the Florida City Elementary School in Florida City, Florida. This school is in the last town before you hit Key Largo. She advises that many of the students come to school hungry. The school meals programs are essential for these children to be able to concentrate on learning.

Without school breakfast and lunch programs, many children would never stand a chance because they would just get hungrier during the school day. This bill will improve these programs and make it easier for school food services to provide lunches and breakfasts. The bill also includes a provision from a bill introduced by Senator JOHNSON which would authorize a study of the benefits of providing ''universal'' breakfasts to grade school children.

The idea, and it is a good one, is to test how offering breakfasts to all children affects academic performance, test scores, truancy, tardiness and other matters. Preliminary studies have shown positive effects. While this bill does not provide mandatory funding for this study as was in the Senate bill, it does authorize such funding.

The WIC program is another great idea and program which is continued by the bill. Congress has rallied behind this program for a very good reason. Research shows that enhanced nutritional assistance for pregnant women greatly increases the health of newborn children. Indeed, participation in WIC was shown to greatly reduce the incidence of newborns placed in neonatal intensive care.

WIC not only improves the health of those children but greatly reduces federal costs associated with Medicaid payments for that intensive care. The Congress has worked together to fund the WIC program and to improve its operation. Chairman COCHRAN and the ranking Member, Senator BUMPERS, of the Agriculture Appropriations subcommittee are to be commended for their continuous support for these programs.

I am very proud to have worked with my colleagues to use cost containment to put well over one million additional pregnant women, infants and children on the program each year at no extra cost to taxpayers. We did this through an extremely simple idea—the government was required to buy infant formula at the lowest cost possible, not at retail cost. This saves over $1.5 billion

per year. This reauthorization bill continues and strengthens that cost containment language.

The WIC Farmers' Market Program is also continued and expanded in this bill. Mary Carlson was president of the National Association of Farmers' Market Nutrition Programs this year and helped me on this reauthorization effort. I appreciate that she flew down from Vermont to Washington to help with some of the discussions with staff. We were able to include some of her suggestions in this bill. Also, on the appropriations front, it does appear that Congress will provide $15 million for the WIC Farmers' Market program this year. On the national level, this new funding level will allow more states to participate in this highly successful program.

I am very proud that the WIC Farmers' Market Program, called Farm-to-Family in Vermont, got its start in legislation that I introduced in the late 1980s. The program promotes consumption of fresh produce among low income families participating in WIC, helps farmers, helps communities set up farmers' markets, and helps teach families how to best use fresh fruits and vegetables. Fruits, vegetables, and other farm products provide a healthy supplement to the dairy products, juices, and fortified cereals included in the WIC package.

In addition to being strongly liked by participating families, farmers also like this program. A USDA study showed that WIC recipients continue to buy at farmer's markets long after they stopped getting WIC benefits. In Vermont, more than 200 farmers currently participate in the WIC Farmers' Market Program.

A participating farmer in New Hampshire said that ''the program enabled us to keep farming. Without it we would have been forced to stop.'' A Massachusetts farmer said: ''it made it possible for our small town farmers' market to get off the ground during its first year.''

Mary Carlson has advised me that this program has had a significant role in helping Vermont communities set up farmers' markets. In Vermont, nearly 5,000 families participate in the program at over 30 farmers' markets. This program leverages a very modest federal investment and helps farmers, farmers' markets and families throughout the nation.

This bill also expands the reach of a nutrition program that is very important for homeless children living in emergency shelters. I hosted a hearing on this matter in 1994 and His Eminence Anthony Cardinal Bevilaqua of Philadelphia testified about the need for this program. It provides food for young children living in homeless shelters and has been of great help to agencies and communities facing homelessness among children. The bill blends the food program for homeless children into the child care food program. I anticipate that this will mean that all current shelters will be able to continue to participate and that additional children could be served.

I take a great personal interest in this program and urge the Department to provide its benefits to as many needy children as possible. His Eminence sent me a letter and survey results regarding this program late last year.

I will request a report from USDA on how this provision is implemented during the next year and will contact sponsors including the Archdiocese of Philadelphia to make sure the program continues to operate effectively. I appreciate the interest of USDA in this program.

The reauthorization bill also expands after-school child care programs allowing parents to find and keep jobs. These programs are becoming more and more important in Vermont and around the nation and I am very pleased that this bill provides additional funding and makes significant improvements in this area.

The bill also expands the summer food service program by making it easier for sponsors to serve more children. Robert Dostis, with the Vermont Campaign to End Childhood Hunger, has done a wonderful job in Vermont promoting this program as well as the school breakfast program. Their ''Report on Childhood Hunger in Vermont'' brought these child nutrition issues to life. The bill expands the ability of churches and other nonprofit organizations to offer summer food service program meals to more children.

Jo Busha, head of Vermont's child nutrition programs, has been recognized for her tremendous efforts in getting more schools to offer a breakfast program. I salute her and Robert Dostis for their work on behalf of Vermont's children.

I know that the Vermont School Food Service Association will be pleased that this bill will reduce red tape and burdensome school lunch rules. The bill lets them get their job done.

The bill continues a WIC breast feeding promotion program to encourage breast feeding instead of the use of infant formula. Working with Senator HARKIN, we were able to include the program in the 1989 reauthorization of child nutrition programs.

The bill also continues a program requested by former Majority Leader Robert Dole. This program helps assist children with disabilities to participate in the school lunch program and is a very good idea. I always appreciated Senator Dole's counsel on these issues.

The reauthorization bill also continues funding for the national information clearinghouse which provides local communities and states with information about gleaning, food sources, and programs that help communities and families help themselves. This clearinghouse has worked out very well and I want to commend World Hunger Year for the tremendous job they have done with this program. I know that my good friend Chairman BEN GILMAN has been a long time friend of World Hunger Year and that he, and many others, appreciate what they have done over the years.

The bill also extends federal funding for local programs which integrate nutrition and farming education into the regular school curricula. This program is scored as a mandatory program and I certainly hope that USDA actually funds it. I have suggested more than once that USDA consider the Foodworks: Common Roots program in New York and Vermont. They have been commended in newspaper accounts and by the local principals as a great example of schools integrating the teaching of nutrition and farming into the regular school curricula. For example, students would design and plant a garden with seeds for food grown in colonial days. Young children would use simple math to plot out where to place seeds while advanced classes might mathematically describe the spiral of corn kernels on the cob.

Children could be taught about historic farming techniques and how they are relevant today. The hands on gardening experience brings learning to life an helps make math, science and history more interesting.

I introduced a child nutrition bill last year—the Child Nutrition Initiatives Act, S. 1556—that contained a number of proposals that are included in this bill. Most important—in light of recent efforts to encourage work—are the after-school, and the child care, food programs. Adequate after-school care for school-age children is critical to permit parents to work. More schools should be able to offer after-school food programs.

I also cosponsored Senator LUGAR's child nutrition reauthorization bill. I hope that some time in the future we can provide assured, mandatory funding for the WIC farmers' market program as I proposed in my bill. By specifying exact annual caps we could assure funding for years while, at the same time, exercise complete control over the size of the program. This approach follows a recommendation of the National Association of Farmers' Market Nutrition Programs.

I had also hoped that this reauthorization would provide additional financial support to help cover transportation costs for every rural areas—75 cents per child, per day—for the summer food service program. S. 1556 also would have helped create more summer food service programs, by providing grants to cover one-time costs associated with setting up a summer food service program.

I will work in the future to include some of these ideas into the next reauthorization bill. I now look forward to the President signing this important bill into law.

RETIREMENT OF SENATOR DALE BUMPERS

Mr. SESSIONS. Mr. President, I have been honored to have the opportunity to hear Senator BUMPERS share his perspective on public service and his personal odyssey. His story is the story of the South—depression, hardship, tough economic times, small businesses, and the son of a shopkeeper. I, too, am the son of a storekeeper and can understand and identify the qualities that have shaped Senator BUMPERS' life.

I have had the opportunity to personally observe his service in this body for just 2 years, but in that short time I have been able to appreciate his many excellent qualities. He does indeed reflect the character of the people of Arkansas. He is part of that State; he comes from its people; and, he shares its values. As an attorney who has tried many cases, I have had the pleasure to see him work on the floor of the Senate. He is articulate, able, well prepared, logical, and persuasive. He states his case very effectively. I can just imagine him before a jury in Arkansas as he boils down complex issues to their essence and appeals to their sense of values. I can see just why people refer to him as an outstanding lawyer. Many denigrate that profession, and I have been a strong critic of some of the abuses of the legal profession, but the skills possessed by the Senator from Arkansas are those skills that make a lawyer most valuable. He cuts straight to the heart of the matter in words that are comprehensible by all.

Again, I am pleased to have served with the distinguished senior Senator from Arkansas and I wish him well in his future service. He has conducted himself with high standards and has not done anything to bring discredit on this body. He has stood courageously, alone if necessary, for the values that he believed in. There is no doubt, I say to the children and grandchildren of the distinguished Senator from Arkansas, that your father and grandfather has been an able and noble practitioner in this great deliberative body of the greatest nation in the history of the world.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MESSAGES FROM THE HOUSE

At 12:22 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate.

H.R. 2349. An act to redesignate the Federal building located at 10301 South Compton Avenue, in Los Angeles, California, and known as the Watts Finance Office, as the ''August F. Hawkins Post Office Building.''

H.R. 3055. An act to deem the activities of the Miccosukee Tribe on the Miccosukee Reserved Area to be consistent with the purposes of the Everglades National park, and for other purposes.

H.R. 3461. An act to approve a governing international fishery agreement between the United States and the Republic of Poland, and for other purposes.

H.R. 3888. An act to amend the Communications Act of 1934 to improve the protection of consumers against ''slamming'' by telecommunications carriers, and for other purposes.

H.R. 4326. An act to transfer administrative jurisdiction over certain Federal lands located within or adjacent to the Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange other Federal lands in Oregon.

H.R. 4757. An act to designate the North/Sea Center as the Dante B. Fascell North-South Center.

The message also announced that the House has passed the following bills, without amendment:

S. 538. An act to authorize the Secretary of the Interior to convey certain facilities of the Minidoka project to the Burley Irrigation District, and for other purposes.

S. 744. An act to authorize the construction of the Fall River Water Users District Rural Water System and authorize financial assistance to the Fall River Water Users District, a nonprofit corporation, in the planning and construction of water supply system, and for other purposes.

S. 2524. An act to codify without substantive change laws related to Patriotic and National Observances, Ceremonies, and Organizations and to improve the United States Code.

The message further announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 2117. An act to authorize the construction of the Perkins County Rural Water System and authorize financial assistance to the Perkins County Rural Water System, Inc., non-profit corporation, in the planning and construction of the water supply system, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 3494) to amend title 18, United States Code, with respect to violent sex crimes against children, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2281) to amend title 17, United States Code, to implement the World Intellectual Property Organization Copyright Treaty and Performances and Phonograms Treaty, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 1659. An act to provide for the expeditious completion of the acquisition of private mineral interests with the Mount St. Helens National Volcanic Monument mandated by the 1982 Act that established the Monument, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, without amendment:

H.R. 1903. A bill to amend the National Institute of Standards and Technology Act to enhance the ability of the National Institute of Standards and Technology to improve computer security, and for other purposes (Rept. No. 105–412).

ADDITIONAL COSPONSORS

S. 2222

At the request of Mr. GRASSLEY, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 2222, a bill to amend title XVIII of the Social Security Act to repeal the financial limitation on rehabilitation services under part B of the Medicare Program.

S. 2610

At the request of Mr. LIEBERMAN, the names of the Senator from New York [Mr. MOYNIHAN], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 2610, a bill to amend the Clean Air to repeal the grandfather status for electric utility units.

AMENDMENTS SUBMITTED

MIGRATORY BIRD TREATY REFORM ACT OF 1998

CHAFEE AMENDMENT NO. 3819

Mr. DEWINE (for Mr. CHAFEE) proposed an amendment to the bill (H.R. 2863) to amend the Migratory Bird Treaty Act to clarify restrictions under that act on baiting, to facilitate acquisition of migratory bird habitat, and for other purposes; as follows:

On page 1, strike line 3 and insert the following:

TITLE I—MIGRATORY BIRD TREATY REFORM

SEC. 101. SHORT TITLE.

On page 1, line 4, strike ''Act'' and insert ''title''.

On page 2, line 1, strike ''**sec. 2.**'' and insert ''**sec. 102.**''.

On page 2, line 16, strike ''**sec. 3.**'' and insert ''**sec. 103.**''.

On page 3, line 8, strike ''**sec. 4.**'' and insert ''**sec. 104.**''.

At the end of the bill, add the following:

TITLE II—NATIONAL WILDLIFE REFUGE SYSTEM IMPROVEMENT

SEC. 201. SHORT TITLE.

This title may be cited as the ''National Wildlife Refuge System Improvement Act of 1998''.

SEC. 202. UPPER MISSISSIPPI RIVER NATIONAL WILDLIFE AND FISH REFUGE.

(a) IN GENERAL.—In accordance with section 4(a)(5) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(a)(5)), there are transferred to the Corps of Engineers, without reimbursement, approximately 37.36 acres of land of the Upper Mississippi River Wildlife and Fish Refuge in the State of Minnesota, as designated on the map entitled ''Upper Mississippi National Wildlife and Fish Refuge lands transferred to Corps of Engineers'', dated January 1998, and available, with accompanying legal descriptions of the land, for inspection in appropriate offices of the United States Fish and Wildlife Service.

(b) CONFORMING AMENDMENTS.—The first section and section 2 of the Upper Mississippi River Wild Life and Fish Refuge Act (16 U.S.C. 721, 722) are amended by striking ''Upper Mississippi River Wild Life and Fish Refuge'' each place it appears and inserting ''Upper Mississippi River National Wildlife and Fish Refuge''.

SEC. 203. KILLCOHOOK COORDINATION AREA.

(a) IN GENERAL.—In accordance with section 4(a)(5) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(a)(5)), the jurisdiction of the United States Fish and Wildlife Service over approximately 1,439.26 acres of land in the States of New Jersey and Delaware, known as the ''Killcohook Coordination Area'', as established by Executive Order No. 6582, issued February 3, 1934, and Executive Order No. 8648, issued January 23, 1941, is terminated.

(b) EXECUTIVE ORDERS.—Executive Order No. 6582, issued February 3, 1934, and Executive Order No. 8648, issued January 23, 1941, are revoked.

SEC. 204. LAKE ELSIE NATIONAL WILDLIFE REFUGE.

(a) IN GENERAL.—In accordance with section 4(a)(5) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(a)(5)), the jurisdiction of the United States Fish and Wildlife Service over approximately 634.7 acres of land and water in Richland County, North Dakota, known as the ''Lake Elsie National Wildlife Refuge'', as established by Executive Order No. 8152, issued June 12, 1939, is terminated.

(b) EXECUTIVE ORDER.—Executive Order No. 8152, issued June 12, 1939, is revoked.

SEC. 205. KLAMATH FOREST NATIONAL WILDLIFE REFUGE.

Section 28 of the Act of August 13, 1954 (25 U.S.C. 564w–1), is amended in subsections (f) and (g) by striking ''Klamath Forest National Wildlife Refuge'' each place it appears and inserting ''Klamath Marsh National Wildlife Refuge''.

SEC. 206. VIOLATION OF NATIONAL WILDLIFE REFUGE SYSTEM ADMINISTRATION ACT.

Section 4 of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd) is amended—

(1) in the first sentence of subsection (c), by striking ''knowingly''; and

(2) in subsection (f)—

(A) by striking ''(f) Any'' and inserting the following:

''(f) PENALTIES.—

''(1) KNOWING VIOLATIONS.—Any'';

(B) by inserting ''knowingly'' after ''who''; and

(C) by adding at the end the following:

''(2) OTHER VIOLATIONS.—Any person who otherwise violates or fails to comply with any of the provisions of this Act (including a regulation issued under this Act) shall be fined under title 18, United States Code, or imprisoned not more than 180 days, or both.''.

TITLE III—WETLANDS AND WILDLIFE ENHANCEMENT

SEC. 301. SHORT TITLE.

This title may be cited as the ''Wetlands and Wildlife Enhancement Act of 1998''.

SEC. 302. REAUTHORIZATION OF NORTH AMERICAN WETLANDS CONSERVATION ACT.

Section 7(c) of the North American Wetlands Conservation Act (16 U.S.C. 4406(c)) is amended by striking ''not to exceed'' and all that follows and inserting ''not to exceed $30,000,000 for each of fiscal years 1999 through 2003.''.

SEC. 303. REAUTHORIZATION OF PARTNERSHIPS FOR WILDLIFE ACT.

Section 7105(h) of the Partnerships for Wildlife Act (16 U.S.C. 3744(h)) is amended by striking ''for each of fiscal years'' and all that follows and inserting ''not to exceed $6,250,000 for each of fiscal years 1999 through 2003.''.

SEC. 304. MEMBERSHIP OF THE NORTH AMERICAN WETLANDS CONSERVATION COUNCIL.

(a) IN GENERAL.—Notwithstanding section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)), during the period of 1999 through 2002, the membership of the North American Wetlands Conservation Council under section 4(a)(1)(D) of that Act shall consist of—

(1) 1 individual who shall be the Group Manager for Conservation Programs of Ducks Unlimited, Inc. and who shall serve for 1 term of 3 years beginning in 1999; and

(2) 2 individuals who shall be appointed by the Secretary of the Interior in accordance with section 4 of that Act and who shall each represent a different organization described in section 4(a)(1)(D) of that Act.

(b) PUBLICATION OF POLICY.—Not later than June 30, 1999, the Secretary of the Interior shall publish in the Federal Register, after notice and opportunity for public comment, a policy for making appointments under section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)).

TITLE IV—RHINOCEROS AND TIGER CONSERVATION

SEC. 401. SHORT TITLE.

This title may be cited as the ''Rhinoceros and Tiger Conservation Act of 1998''.

SEC. 402. FINDINGS.

Congress finds that—

(1) the populations of all but 1 species of rhinoceros, and the tiger, have significantly declined in recent years and continue to decline;

(2) these species of rhinoceros and tiger are listed as endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) and listed on Appendix I of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, signed on March 3, 1973 (27 UST 1087; TIAS 8249) (referred to in this title as ''CITES'');

(3) the Parties to CITES have adopted several resolutions—

(A) relating to the conservation of tigers (Conf. 9.13 (Rev.)) and rhinoceroses (Conf. 9.14), urging Parties to CITES to implement legislation to reduce illegal trade in parts and products of the species; and

(B) relating to trade in readily recognizable parts and products of the species (Conf. 9.6), and trade in traditional medicines (Conf. 10.19), recommending that Parties ensure that their legislation controls trade in those parts and derivatives, and in medicines purporting to contain them;

(4) a primary cause of the decline in the populations of tiger and most rhinoceros species is the poaching of the species for use of their parts and products in traditional medicines;

(5) there are insufficient legal mechanisms enabling the United States Fish and Wildlife Service to interdict products that are labeled or advertised as containing substances derived from rhinoceros or tiger species and prosecute the merchandisers for sale or display of those products; and

(6) legislation is required to ensure that—

(A) products containing, or labeled or advertised as containing, rhinoceros parts or tiger parts are prohibited from importation into, or exportation from, the United States; and

(B) efforts are made to educate persons regarding alternatives for traditional medicine products, the illegality of products containing, or labeled or advertised as containing, rhinoceros parts and tiger parts, and the need to conserve rhinoceros and tiger species generally.

SEC. 403. PURPOSES OF THE RHINOCEROS AND TIGER CONSERVATION ACT OF 1994.

Section 3 of the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5302) is amended by adding at the end the following:

''(3) To prohibit the sale, importation, and exportation of products intended for human consumption or application containing, or labeled or advertised as containing, any substance derived from any species of rhinoceros or tiger.''.

SEC. 404. DEFINITION OF PERSON.

Section 4 of the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5303) is amended—

(1) in paragraph (4), by striking ''and'' at the end;

(2) in paragraph (5), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(6) 'person' means—

''(A) an individual, corporation, partnership, trust, association, or other private entity;

''(B) an officer, employee, agent, department, or instrumentality of—

''(i) the Federal Government;

''(ii) any State, municipality, or political subdivision of a State; or

''(iii) any foreign government;

''(C) a State, municipality, or political subdivision of a State; or

''(D) any other entity subject to the jurisdiction of the United States.''.

SEC. 405. PROHIBITION ON SALE, IMPORTATION, OR EXPORTATION OF PRODUCTS LABELED OR ADVERTISED AS RHINOCEROS OR TIGER PRODUCTS.

The Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5301 et seq.) is amended—

(1) by redesignating section 7 as section 9; and

(2) by inserting after section 6 the following:

''SEC. 7. PROHIBITION ON SALE, IMPORTATION, OR EXPORTATION OF PRODUCTS LABELED OR ADVERTISED AS RHINOCEROS OR TIGER PRODUCTS.

''(a) PROHIBITION.—A person shall not sell, import, or export, or attempt to sell, import, or export, any product, item, or substance intended for human consumption or application containing, or labeled or advertised as containing, any substance derived from any species of rhinoceros or tiger.

''(b) PENALTIES.—

''(1) CRIMINAL PENALTY.—A person engaged in business as an importer, exporter, or distributor that knowingly violates subsection (a) shall be fined under title 18, United States Code, imprisoned not more than 6 months, or both.

''(2) CIVIL PENALTIES.—

''(A) IN GENERAL.—A person that knowingly violates subsection (a), and a person engaged in business as an importer, exporter, or distributor that violates subsection (a), may be assessed a civil penalty by the Secretary of not more than $12,000 for each violation.

''(B) MANNER OF ASSESSMENT AND COLLECTION.—A civil penalty under this paragraph shall be assessed, and may be collected, in the manner in which a civil penalty under the Endangered Species Act of 1973 may be assessed and collected under section 11(a) of that Act (16 U.S.C. 1540(a)).

''(c) PRODUCTS, ITEMS, AND SUBSTANCES.—Any product, item, or substance sold, imported, or exported, or attempted to be sold, imported, or exported, in violation of this section or any regulation issued under this section shall be subject to seizure and forfeiture to the United States.

''(d) REGULATIONS.—After consultation with the Secretary of the Treasury, the Secretary of Health and Human Services, and the United States Trade Representative, the Secretary shall issue such regulations as are appropriate to carry out this section.

''(e) ENFORCEMENT.—The Secretary, the Secretary of the Treasury, and the Secretary of the department in which the Coast Guard is operating shall enforce this section in the manner in which the Secretaries carry out enforcement activities under section 11(e) of the Endangered Species Act of 1973 (16 U.S.C. 1540(e)).

''(f) USE OF PENALTY AMOUNTS.—Amounts received as penalties, fines, or forfeiture of property under this section shall be used in accordance with section 6(d) of the Lacey Act Amendments of 1981 (16 U.S.C. 3375(d)).''.

SEC. 406. EDUCATIONAL OUTREACH PROGRAM.

The Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5301 et seq.) (as amended by section 405) is amended by inserting after section 7 the following:

''SEC. 8. EDUCATIONAL OUTREACH PROGRAM.

''(a) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Secretary shall develop and implement an educational outreach program in the United States for the conservation of rhinoceros and tiger species.

''(b) GUIDELINES.—The Secretary shall publish in the Federal Register guidelines for the program.

''(c) CONTENTS.—Under the program, the Secretary shall publish and disseminate information regarding—

''(1) laws protecting rhinoceros and tiger species, in particular laws prohibiting trade in products containing, or labeled or advertised as containing, their parts;

''(2) use of traditional medicines that contain parts or products of rhinoceros and tiger species, health risks associated with their use, and available alternatives to the medicines; and

''(3) the status of rhinoceros and tiger species and the reasons for protecting the species.''.

SEC. 407. AUTHORIZATION OF APPROPRIATIONS.

Section 9 of the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5306) (as redesignated by section 405(1)) is amended by striking ''1996, 1997, 1998, 1999, and 2000'' and inserting ''1996 through 2002''.

TITLE V—CHESAPEAKE BAY INITIATIVES

SEC. 501. SHORT TITLE.

This title may be cited as the ''Chesapeake Bay Initiatives Act of 1998''.

SEC. 502. CHESAPEAKE BAY.

Section 117 of the Federal Water Pollution Control Act (33 U.S.C. 1267) is amended to read as follows:

''SEC. 117. CHESAPEAKE BAY.

''(a) DEFINITIONS.—In this section:

''(1) CHESAPEAKE BAY AGREEMENT.—The term 'Chesapeake Bay Agreement' means the formal, voluntary agreements, amendments, directives, and adoption statements executed to achieve the goal of restoring and protecting the Chesapeake Bay ecosystem and the living resources of the ecosystem and signed by the Chesapeake Executive Council.

''(2) CHESAPEAKE BAY PROGRAM.—The term 'Chesapeake Bay Program' means the program directed by the Chesapeake Executive Council in accordance with the Chesapeake Bay Agreement.

''(3) CHESAPEAKE BAY WATERSHED.—The term 'Chesapeake Bay watershed' shall have the meaning determined by the Administrator.

''(4) CHESAPEAKE EXECUTIVE COUNCIL.—The term 'Chesapeake Executive Council' means the signatories to the Chesapeake Bay Agreement.

''(5) SIGNATORY JURISDICTION.—The term 'signatory jurisdiction' means a jurisdiction of a signatory to the Chesapeake Bay Agreement.

''(b) CONTINUATION OF CHESAPEAKE BAY PROGRAM.—

''(1) IN GENERAL.—In cooperation with the Chesapeake Executive Council (and as a member of the Council), the Administrator shall continue the Chesapeake Bay Program.

''(2) PROGRAM OFFICE.—The Administrator shall maintain in the Environmental Protection Agency a Chesapeake Bay Program Office. The Chesapeake Bay Program Office shall provide support to the Chesapeake Executive Council by—

''(A) implementing and coordinating science, research, modeling, support services, monitoring, data collection, and other activities that support the Chesapeake Bay Program;

''(B) developing and making available, through publications, technical assistance, and other appropriate means, information pertaining to the environmental quality and living resources of the Chesapeake Bay;

''(C) assisting the signatories to the Chesapeake Bay Agreement, in cooperation with appropriate Federal, State, and local authorities, in developing and implementing specific action plans to carry out the responsibilities of the signatories to the Chesapeake Bay Agreement;

''(D) coordinating the actions of the Environmental Protection Agency with the actions of the appropriate officials of other Federal agencies and State and local authorities in developing strategies to—

''(i) improve the water quality and living resources of the Chesapeake Bay; and

''(ii) obtain the support of the appropriate officials of the agencies and authorities in achieving the objectives of the Chesapeake Bay Agreement; and

''(E) implementing outreach programs for public information, education, and participation to foster stewardship of the resources of the Chesapeake Bay.

''(c) INTERAGENCY AGREEMENTS.—The Administrator may enter into an interagency agreement with a Federal agency to carry out this section.

''(d) TECHNICAL ASSISTANCE AND ASSISTANCE GRANTS.—

''(1) IN GENERAL.—In consultation with other members of the Chesapeake Executive Council, the Administrator may provide technical assistance, and assistance grants, to nonprofit private organizations and individuals, State and local governments, colleges, universities, and interstate agencies to carry out this section, subject to such terms and conditions as the Administrator considers appropriate.

''(2) FEDERAL SHARE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Federal share of an assistance grant provided under paragraph (1) shall be determined by the Administrator in accordance with Environmental Protection Agency guidance.

''(B) SMALL WATERSHED GRANTS PROGRAM.—The Federal share of an assistance grant provided under paragraph (1) to carry out an implementing activity under subsection (g)(2) shall not exceed 75 percent of eligible project costs, as determined by the Administrator.

''(3) NON-FEDERAL SHARE.—An assistance grant under paragraph (1) shall be provided on the condition that non-Federal sources provide the remainder of eligible project costs, as determined by the Administrator.

''(4) ADMINISTRATIVE COSTS.—Administrative costs (including salaries, overhead, and indirect costs for services provided and charged against projects supported by funds made available under this subsection) incurred by a person described in paragraph (1) in carrying out a project under this subsection during a fiscal year shall not exceed 10 percent of the grant made to the person under this subsection for the fiscal year.

''(e) IMPLEMENTATION GRANTS.—

''(1) IN GENERAL.—If a signatory jurisdiction has approved and committed to implement all or substantially all aspects of the Chesapeake Bay Agreement, on the request of the chief executive of the jurisdiction, the Administrator shall make a grant to the jurisdiction for the purpose of implementing the management mechanisms established under the Chesapeake Bay Agreement, subject to such terms and conditions as the Administrator considers appropriate.

''(2) PROPOSALS.—A signatory jurisdiction described in paragraph (1) may apply for a grant under this subsection for a fiscal year by submitting to the Administrator a comprehensive proposal to implement management mechanisms established under the Chesapeake Bay Agreement. The proposal shall include—

''(A) a description of proposed management mechanisms that the jurisdiction commits to take within a specified time period, such as reducing or preventing pollution in the Chesapeake Bay and to meet applicable water quality standards; and

''(B) the estimated cost of the actions proposed to be taken during the fiscal year.

''(3) APPROVAL.—If the Administrator finds that the proposal is consistent with the Chesapeake Bay Agreement and the national goals established under section 101(a), the Administrator may approve the proposal for a fiscal year.

''(4) FEDERAL SHARE.—The Federal share of an implementation grant provided under this subsection shall not exceed 50 percent of the costs of implementing the management mechanisms during the fiscal year.

''(5) NON-FEDERAL SHARE.—An implementation grant under this subsection shall be made on the condition that non-Federal sources provide the remainder of the costs of implementing the management mechanisms during the fiscal year.

''(6) ADMINISTRATIVE COSTS.—Administrative costs (including salaries, overhead, and indirect costs for services provided and charged against projects supported by funds made available under this subsection) incurred by a signatory jurisdiction in carrying out a project under this subsection during a fiscal year shall not exceed 10 percent of the grant made to the jurisdiction under this subsection for the fiscal year.

''(f) COMPLIANCE OF FEDERAL FACILITIES.—

''(1) SUBWATERSHED PLANNING AND RESTORATION.—A Federal agency that owns or operates a facility (as defined by the Administrator) within the Chesapeake Bay watershed shall participate in regional and subwatershed planning and restoration programs.

''(2) COMPLIANCE WITH AGREEMENT.—The head of each Federal agency that owns or occupies real property in the Chesapeake Bay watershed shall ensure that the property, and actions taken by the agency with respect to the property, comply with the Chesapeake Bay Agreement.

''(g) CHESAPEAKE BAY WATERSHED, TRIBUTARY, AND RIVER BASIN PROGRAM.—

''(1) NUTRIENT AND WATER QUALITY MANAGEMENT STRATEGIES.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in consultation with other members of the Chesapeake Executive Council, shall ensure that management plans are developed and implementation is begun by signatories to the Chesapeake Bay Agreement for the tributaries of the Chesapeake Bay to achieve and maintain—

''(A) the nutrient goals of the Chesapeake Bay Agreement for the quantity of nitrogen and phosphorus entering the main stem Chesapeake Bay;

''(B) the water quality requirements necessary to restore living resources in both the tributaries and the main stem of the Chesapeake Bay;

''(C) the Chesapeake Bay basinwide toxics reduction and prevention strategy goal of reducing or eliminating the input of chemical contaminants from all controllable sources to levels that result in no toxic or bioaccumulative impact on the living resources that inhabit the Bay or on human health; and

''(D) habitat restoration, protection, and enhancement goals established by Chesapeake Bay Agreement signatories for wetlands, forest riparian zones, and other types of habitat associated with the Chesapeake Bay and the tributaries of the Chesapeake Bay.

''(2) SMALL WATERSHED GRANTS PROGRAM.—The Administrator, in consultation with other members of the Chesapeake Executive Council, may offer the technical assistance and assistance grants authorized under subsection (d) to local governments and nonprofit private organizations and individuals in the Chesapeake Bay watershed to implement—

''(A) cooperative tributary basin strategies that address the Chesapeake Bay's water quality and living resource needs; or

''(B) locally based protection and restoration programs or projects within a watershed that complement the tributary basin strategies.

''(h) STUDY OF CHESAPEAKE BAY PROGRAM.—Not later than December 31, 2000, and every 3 years thereafter, the Administrator, in cooperation with other members of the Chesapeake Executive Council, shall complete a study and submit a comprehensive report to Congress on the results of the study. The study and report shall, at a minimum—

''(1) assess the commitments and goals of the management strategies established under the Chesapeake Bay Agreement and the extent to which the commitments and goals are being met;

''(2) assess the priority needs required by the management strategies and the extent to which the priority needs are being met;

''(3) assess the effects of air pollution deposition on water quality of the Chesapeake Bay;

''(4) assess the state of the Chesapeake Bay and its tributaries and related actions of the Chesapeake Bay Program;

''(5) make recommendations for the improved management of the Chesapeake Bay Program; and

''(6) provide the report in a format transferable to and usable by other watershed restoration programs.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000 for each of fiscal years 1999 through 2003.''.

SEC. 503. CHESAPEAKE BAY GATEWAYS AND WATERTRAILS.

(a) CHESAPEAKE BAY GATEWAYS AND WATERTRAILS NETWORK.—

(1) IN GENERAL.—The Secretary of the Interior (referred to in this section as the ''Secretary''), in cooperation with the Administrator of the Environmental Protection Agency (referred to in this section as the ''Administrator''), shall provide technical and financial assistance, in cooperation with other Federal agencies, State and local governments, nonprofit organizations, and the private sector—

(A) to identify, conserve, restore, and interpret natural, recreational, historical, and cultural resources within the Chesapeake Bay Watershed;

(B) to identify and utilize the collective resources as Chesapeake Bay Gateways sites for enhancing public education of and access to the Chesapeake Bay;

(C) to link the Chesapeake Bay Gateways sites with trails, tour roads, scenic byways, and other connections as determined by the Secretary;

(D) to develop and establish Chesapeake Bay Watertrails comprising water routes and connections to Chesapeake Bay Gateways sites and other land resources within the Chesapeake Bay Watershed; and

(E) to create a network of Chesapeake Bay Gateways sites and Chesapeake Bay Watertrails.

(2) COMPONENTS.—Components of the Chesapeake Bay Gateways and Watertrails Network may include—

(A) State or Federal parks or refuges;

(B) historic seaports;

(C) archaeological, cultural, historical, or recreational sites; or

(D) other public access and interpretive sites as selected by the Secretary.

(b) CHESAPEAKE BAY GATEWAYS GRANTS ASSISTANCE PROGRAM.—

(1) IN GENERAL.—The Secretary, in cooperation with the Administrator, shall establish a Chesapeake Bay Gateways Grants Assistance Program to aid State and local governments, local communities, nonprofit organizations, and the private sector in conserving, restoring, and interpreting important historic, cultural, recreational, and natural resources within the Chesapeake Bay Watershed.

(2) CRITERIA.—The Secretary, in cooperation with the Administrator, shall develop appropriate eligibility, prioritization, and review criteria for grants under this section.

(3) MATCHING FUNDS AND ADMINISTRATIVE EXPENSES.—A grant under this section—

(A) shall not exceed 50 percent of eligible project costs;

(B) shall be made on the condition that non-Federal sources, including in-kind contributions of services or materials, provide the remainder of eligible project costs; and

(C) shall be made on the condition that not more than 10 percent of all eligible project costs be used for administrative expenses.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $3,000,000 for each of fiscal years 1999 through 2003.

SEC. 504. PFIESTERIA AND OTHER AQUATIC TOXINS RESEARCH AND GRANT PROGRAM.

(a) IN GENERAL.—The Administrator of the Environmental Protection Agency, the Secretary of Commerce (acting through the Director of the National Marine Fisheries Service of the National Oceanic and Atmospheric Administration), the Secretary of Health and Human Services (acting through the Director of the National Institute of Environmental Health Sciences and the Director of the Centers for Disease Control and Prevention), and the Secretary of Agriculture shall—

(1) establish a research program for the eradication or control of Pfiesteria piscicida and other aquatic toxins; and

(2) make grants to colleges, universities, and other entities in affected States for the eradication or control of Pfiesteria piscicida and other aquatic toxins.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 1999 and 2000.

CHAFEE AMENDMENT NO. 3820

Mr. DEWINE (for Mr. CHAFEE) proposed an amendment to the bill, H.R. 2863; supra; as follows:

On page 2, line 21, strike ''$10,000'' and insert ''$15,000''.

On page 3, strike lines 1 through 7 and insert the following:

''(2) in the case of a violation of section 3(b)(2), shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both.''.

SONNY BONO MEMORIAL SALTON SEA RECLAMATION ACT

KYL AMENDMENT NO. 3821

Mr. GORTON (for Mr. KYL) proposed an amendment to the bill (H.R. 3267) to direct the Secretary of the Interior, acting through the Bureau of Reclamation, to conduct a feasibility study and construct a project to reclaim the Salton Sea; as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Salton Sea Reclamation Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions. .....

TITLE I—SALTON SEA FEASIBILITY STUDY

Sec. 101. Feasibility study authorization.
Sec. 102. Concurrent wildlife resources studies.
Sec. 103. Salton Sea National Wildlife Refuge renamed as Sonny Bono Salton Sea National Wildlife Refuge.

TITLE II—EMERGENCY ACTION TO IMPROVE WATER QUALITY IN THE ALAMO RIVER AND NEW RIVER

Sec. 201. Alamo River and New River irrigation drainage water.

SEC. 2. DEFINITIONS.

In this Act:

(1) The term 'Committees' means the Committee on Resources and the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Environment and Public Works of the Senate.

(2) The term 'Salton Sea Authority' means the Joint Powers Authority by that name established under the laws of the State of California by a Joint Power Agreement signed on June 2, 1993.

(3) The term 'Secretary' means the Secretary of the Interior, acting through the Bureau of Reclamation.

TITLE I—SALTON SEA FEASIBILITY STUDY

SEC. 101. SALTON SEA FEASITILITY STUDY AUTHORIZATION.

(a) IN GENERAL.—No later than January 1, 2000, the Secretary, in accordance with this section, shall complete all feasibility studies and cost analyses for the options set forth in subsection (b)(2)(A) necessary for Congress to fully evaluate such options.

(b) FEASIBILITY STUDY.—

(1) IN GENERAL.—

(A) the Secretary shall complete all studies, including, but not limited to environmental and other reviews, of the fasibility and benefit-cost of various options that permit the continued use of the Salton Sea as a reservoir for irrigation drainage and (1) reduce and stabilize the overall salinity of the Salton Sea, (2) stabilize the surface elevation of the Salton Sea, (3) reclaim, in the long term, healthy fish and wildlife resources and their habitats, and (4) enhance the potential for recreational uses and economic development of the Salton Sea.

(B) Based solely on whatever information is available at the time of submission of the report, the Secretary shall (1) identify any options he deems economically feasible and cost effective, (2) identify any additional information necessary to develop construction specifications, and (3) submit any recommendations, along with the results of the study to the Committees no later than January 1, 2000.

(C)(i) The Secretary shall carry out the feasibility study in accordance with a memorandum of understanding entered into by the Secretary, the Salton Sea Authority, and the Governor of California.

(ii) The memorandum of understanding shall, at a minimum, establish criteria for evaluation and selection of options under subparagraph (2)(A), including criteria for determining benefits and the magnitude and practicability of costs of construction, operation, and maintenance of each options evaluated.

(2) OPTIONS TO BE CONSIDERED.—Options considered in the feasibility study—

(A) shall consist of, but need not be limited to—

(i) use of impoundments to segregate a portion of the waters of the Salton Sea in one or more evaporation ponds located in the Salton Sea basin;

(ii) pumping water out of the Salton Sea;

(iii) augmented flows of water into the Salton Sea;

(iv) a combination of the options referred to in clauses (i), (ii), and (iii); and

(v) any other economically feasible remediation option the Secretary considers appropriate and for which feasibility analyses and cost estimates can be completed by January 1, 2000;

(B) shall be limited to proven technologies; and

(C) shall not include any option that—

(i) relies on the importation of any new or additional water from the Colorado River; or

(ii) is inconsistent with the provisions of subsection (c).

(3) ASSUMPTIONS.—In evaluating options, the Secretary shall apply assumptions regarding water inflows into the Salton Sea Basin that encourage water conservation, account for transfers of water out of the Salton Sea Basin, and are based on a maximum likely reduction in inflows into the Salton Sea Basin which could be 800,000 acre-feet or less per year.

(4) CONSIDERATION OF COSTS.—In evaluating the feasibility of options, the Secretary shall consider the ability of Federal, tribal, State and local government sources and private sources to fund capital construction costs and annual operation, maintenance, energy, and replacement costs and shall set forth the basis for any cost sharing allocations as well as anticipated repayment, if any, of federal contributions.

(c) RELATIONSHIP TO OTHER LAW.—

(1) RECLAMATION LAWS.—Activities authorized by this Act shall not be subject to the Act of June 17, 1902 (32 Stat. 388; 43 U.S.C. 391 et seq.), and Acts amendatory thereof and supplemental thereto. Amounts expended for those activities shall be considered nonreimbursable for purposes of those laws and shall not be considered to be a supplemental or additional benefit for purposes of the Reclamation Reform Act of 1982 (96 Stat. 1263; 43 U.S.C. 390aa et seq.).

(2) PRESERVATION OF RIGHTS AND OBLIGATIONS WITH RESPECT TO THE COLORADO RIVER.—This Act shall not be considered to supersede or otherwise affect any treaty, law, decree, contract, or agreement governing use of water from the Colorado River. All activities taken under this Act must be carried out in a manner consistent with rights and obligations of persons under those treaties, laws, decrees, contracts, and agreements.

SEC. 102. CONCURRENT WILDLIFE RESOURCES STUDIES.

(a) IN GENERAL.—The Secretary shall provide for the conduct, concurrently with the feasibility study under section 101(b), of studies of hydrology, wildlife pathology, and toxicology relating to wildlife resources of the Salton Sea by Federal and non-Federal entities.

(b) SELECTION OF TOPICS AND MANAGEMENT OF STUDIES.—

(1) IN GENERAL.—The Secretary shall establish a committee to be known as the ''Salton Sea Research Management Committee''. The committee shall select the topics of studies under this section and manage those studies.

(2) MEMBERSHIP.—The committee shall consist of the following five members:

(A) The Secretary.

(B) The Governor of California.

(C) The Executive Director of the Salton Sea Authority.

(D) The Chairman of the Torres Martinez Desert Cahuilla Tribal Government.

(E) The Director of the California Water Resources Center.

(c) COORDINATION.—The Secretary shall require that studies under this section are coordinated through the Science Subcommittee which reports to the Salton Sea Research Management Committee. In addition to the membership provided for by the Science Subcommittee's charter, representatives shall be invited from the University of California, Riverside; the University of Redlands; San Diego State University; the Imperial Valley College; and Los Alamos National Laboratory.

(d) PEER REVIEW.—The Secretary shall require that studies under this section are subjected to peer review.

(e) AUTHORIZATION OF APPROPRIATIONS.—For wildlife resources studies under this section there are authorized to be appropriated to the Secretary, through accounts within the Fish and Wildlife Service exclusively, $5,000,000.

(f) ADVISORY COMMITTEE ACT.—The committee, and its activities, are not subject to the Federal Advisory Committee Act (5 U.S.C. app.).

SEC. 103. SALTON SEA NATIONAL WILDLIFE REFUGE RENAMED AS SONNY BONO SALTON SEA NATIONAL WILDLIFE REFUGE.

(a) REFUGE RENAMED.—The Salton Sea National Wildlife Refuge, located in Imperial County, California, is hereby renamed and shall be known as the ''Sonny Bono Salton Sea National Wildlife Refuge''.

(b) REFERENCES.—Any reference in any statute, rule, regulation, executive order, publication, map, or paper or other document of the United States to the Salton Sea National Wildlife Refuge is deemed to refer to the Sonny Bono Salton Sea National Wildlife Refuge.

TITLE II—EMERGENCY ACTION TO IMPROVE WATER QUALITY IN THE ALAMO RIVER AND NEW RIVER

SEC. 201. ALAMO RIVER AND NEW RIVER IRRIGATION DRAINAGE WATER.

(a) RIVER ENHANCEMENT.—

(1) IN GENERAL.—The Secretary is authorized and directed to promptly conduct research and construct river reclamation and wetlands projects to improve water quality in the Alamo River and New River, Imperial County, California, by treating water in those rivers and irrigation drainage water that flows into those rivers.

(2) ACQUISITIONS.—The Secretary may acquire equipment, real property from willing sellers, and interests in real property (including site access) from willing sellers as needed to implement actions under this section if the State of California, a political subdivision of the State, or Desert Wildlife Unlimited has entered into an agreement with the Secretary under which the State, subdivision, or Desert Wildlife Unlimited, respectively, will, effective 1 year after the date that systems for which the acquisitions are made are operational and functional—

(A) accept all right, title, and interest in and to the equipment, property, or interests; and

(B) assume responsibility for operation and maintenance of the equipment, property, or interests.

(3) TRANSFER OF TITLE.—Not later than 1 year after the date a system developed under this section is operational and functional, the Secretary shall transfer all right, title, and interest of the United States in and to all equipment, property, and interests acquired for the system in accordance with the applicable agreement under paragraph (2).

(4) MONITORING AND OTHER ACTIONS.—The Secretary shall establish a long-term monitoring program to maximize the effectiveness of any wetlands developed under this title and may implement other actions to improve the efficacy of actions implemented pursuant to this section.

(b) COOPERATION.—The Secretary shall implement subsection (a) in cooperation with the Desert Wildlife Unlimited, the Imperial Irrigation District, California, and other interested persons.

(c) FEDERAL WATER POLLUTION CONTROL.—Water withdrawn solely for the purpose of a wetlands project to improve water quality under subsection (a)(1), when returned to the Alamo River or New River, shall not be required to meet water quality standards under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

(d) AUTHORIZATION OF APPROPRIATIONS.—For river reclamation and other irrigation drainage water treatment actions under this section, there are authorized to be appropriated to the Secretary $3,000,000.

Amend the title to read as follows: ''To direct the Secretary of the Interior acting through the Bureau of Reclamation, to complete a feasibility study relating to the Salton Sea, and for other purposes.''.

FEDERAL FINANCIAL ASSISTANCE MANAGEMENT IMPROVEMENT ACT OF 1998—S. 1642

The bill, S. 1642, as passed by the Senate on October 12, 1998, is as follows:

S. 1642

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Financial Assistance Management Improvement Act of 1998''.

SEC. 2. FINDINGS.

The Congress finds that—

(1) there are over 600 different Federal financial assistance programs to implement domestic policy;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some Federal administrative requirements may be duplicative, burdensome or conflicting, thus impeding cost-effective delivery of services at the local level;

(3) the Nation's State, local, and tribal governments and private, nonprofit organizations are dealing with increasingly complex problems which require the delivery and coordination of many kinds of services; and

(4) streamlining and simplification of Federal financial assistance administrative procedures and reporting requirements will improve the delivery of services to the public.

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) improve the effectiveness and performance of Federal financial assistance programs;

(2) to simplify Federal financial assistance application and reporting requirements;

(3) to improve the delivery of services to the public; and

(4) to facilitate greater coordination among those responsible for delivering such services.

SEC. 4. DEFINITIONS.

In this Act:

(1) DIRECTOR.—The term ''Director'' means the Director of the Office of Management and Budget.

(2) FEDERAL AGENCY.—The term ''Federal agency'' means any agency as defined under section 551(1) of title 5, United States Code.

(3) FEDERAL FINANCIAL ASSISTANCE.—The term ''Federal financial assistance'' has the same meaning as defined in section 7501(a)(5) of title 31, United States Code, under which Federal financial assistance is provided, directly or indirectly, to a non-Federal entity.

(4) LOCAL GOVERNMENT.—The term ''local government'' means a political subdivision of a State that is a unit of general local government (as defined under section 7501(a)(11) of title 31, United States Code);

(5) NON-FEDERAL ENTITY.—The term ''non-Federal entity'' means a State, local government, or nonprofit organization.

(6) NONPROFIT ORGANIZATION.—The term ''nonprofit organization'' means any corporation, trust, association, cooperative, or other organization that—

(A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

(B) is not organized primarily for profit; and

(C) uses net proceeds to maintain, improve, or expand the operations of the organization.

(7) STATE.—The term ''State'' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, and any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian Tribal Government.

(8) TRIBAL GOVERNMENT.—The term ''tribal government'' means an Indian tribe, as that term is defined in section 7501(a)(9) of title 31, United States Code.

(9) UNIFORM ADMINISTRATIVE RULE.—The term ''uniform administrative rule'' means a government-wide uniform rule for any generally applicable requirement established to achieve national policy objectives that applies to multiple Federal financial assistance programs across Federal agencies.

SEC. 5. DUTIES OF FEDERAL AGENCIES.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, each Federal agency shall develop and implement a plan that—

(1) streamlines and simplifies the application, administrative, and reporting procedures for Federal financial assistance programs administered by the agency;

(2) demonstrates active participation in the interagency process under section 6(a)(2);

(3) demonstrates appropriate agency use, or plans for use, of the common application and reporting system developed under section 6(a)(1);

(4) designates a lead agency official for carrying out the responsibilities of the agency under this Act;

(5) allows applicants to electronically apply for, and report on the use of, funds from the Federal financial assistance program administered by the agency;

(6) ensures recipients of Federal financial assistance provide timely, complete, and high quality information in response to Federal reporting requirements; and

(7) establishes specific annual goals and objectives to further the purposes of this Act and measure annual performance in achieving those goals and objectives, which may be done as part of the agency's annual planning responsibilities under the Government Performance and Results Act.

(b) EXTENSION.—If one or more agencies are unable to comply with the requirements of subsection (a), the Director shall report to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives the reasons for noncompliance. After consultation with such committees, the Director may extend the period for plan development and implementation for each noncompliant agency for up to 12 months.

(c) COMMENT AND CONSULTATION ON AGENCY PLANS.—

(1) COMMENT.—Each agency shall publish the plan developed under subsection (a) in the Federal Register and shall receive public comment of the plan through the Federal Register and other means (including electronic means). To the maximum extent practicable, each Federal agency shall hold public forums on the plan.

(2) CONSULTATION.—The lead official designated under subsection (a)(4) shall consult with representatives of non-Federal entities during development and implementation of the plan. Consultation with representatives of State, local, and tribal governments shall be in accordance with section 204 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1534).

(d) SUBMISSION OF PLAN.—Each Federal agency shall submit the plan developed under subsection (a) to the Director and Congress and report annually thereafter on the implementation of the plan and performance of the agency in meeting the goals and objectives specified under subsection (a)(7). Such report may be included as part of any of the general management reports required under law.

SEC. 6. DUTIES OF THE DIRECTOR.

(a) IN GENERAL.—The Director, in consultation with agency heads, and representatives of non-Federal entities, shall direct, coordinate and assist Federal agencies in establishing:

(1) A common application and reporting system, including—

(A) a common application or set of common applications, wherein a non-Federal entity can apply for Federal financial assistance from multiple Federal financial assistance programs that serve similar purposes and are administered by different Federal agencies;

(B) a common system, including electronic processes, wherein a non-Federal entity can apply for, manage, and report on the use of funding from multiple Federal financial assistance programs that serve similar purposes and are administered by different Federal agencies; and

(C) uniform administrative rules for Federal financial assistance programs across different Federal agencies.

(2) An interagency process for addressing—

(A) ways to streamline and simplify Federal financial assistance administrative procedures and reporting requirements for non-Federal entities;

(B) improved interagency and intergovernmental coordination of information collection and sharing of data pertaining to Federal financial assistance programs, including appropriate information sharing consistent with the Privacy Act of 1974; and

(C) improvements in the timeliness, completeness, and quality of information received by Federal agencies from recipients of Federal financial assistance.

(b) LEAD AGENCY AND WORKING GROUPS.—The Director may designate a lead agency to assist the Director in carrying out the responsibilities under this section. The Director may use interagency working groups to assist in carrying out such responsibilities.

(c) REVIEW OF PLANS AND REPORTS.—Agencies shall submit to the Director, upon his request and for his review, information and other reporting regarding their implementation of this Act.

(d) EXEMPTIONS.—The Director may exempt any Federal agency or Federal financial assistance program from the requirements of this Act if the Director determines that the Federal agency does not have a significant number of Federal financial assistance programs. The Director shall maintain a list of exempted agencies which will be available to the public through OMB's Internet site.

SEC. 7. EVALUATION.

(a) IN GENERAL.—The Director (or the lead agency designated under section 6(b)) shall contract with the National Academy of Public Administration to evaluate the effectiveness of this Act. Not later than 4 years after the date of enactment of this Act, the evaluation shall be submitted to the lead agency, the Director, and Congress. The evaluation shall be performed with input from State, local, and tribal governments, and nonprofit organizations.

(b) CONTENTS.—The evaluation under subsection (a) shall—

(1) assess the effectiveness of this Act in meeting the purposes of this Act and make specific recommendations to further the implementation of this Act;

(2) evaluate actual performance of each agency in achieving the goals and objectives stated in agency plans;

(3) assess the level of coordination among the Director, Federal agencies, State, local, and tribal governments, and nonprofit organizations in implementing this Act.

SEC. 8. COLLECTION OF INFORMATION.

Nothing in this Act shall be construed to prevent the Director or any Federal agency from gathering, or to exempt any recipient of Federal financial assistance from providing, information that is required for review of the financial integrity or quality of services of an activity assisted by a Federal financial assistance program.

SEC. 9. JUDICIAL REVIEW.

There shall be no judicial review of compliance or noncompliance with any of the provisions of this Act. No provision of this Act shall be construed to create any right or benefit, substantive or procedural, enforceable by any administrative or judicial action.

SEC. 10. STATUTORY REQUIREMENTS.

Nothing in this Act shall be construed as a means to deviate from the statutory requirements relating to applicable Federal financial assistance programs.

SEC. 11. EFFECTIVE DATE AND SUNSET.

This Act shall take effect on the date of enactment of this Act and shall cease to be effective five years after such date of enactment.

ORDER FOR SUBMITTAL AND PRINTING OF TRIBUTES

Mr. GORTON. Mr. President, I ask unanimous consent that Members have until October 28, 1998, to submit tributes to Senators COATS, KEMPTHORNE, FORD, GLENN, and BUMPERS, and further that the statements be compiled and printed as Senate documents.

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

SALTON SEA RECLAMATION ACT OF 1998

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3267, which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3267) to direct the Secretary of the Interior, acting through the Bureau of Reclamation, to conduct a feasibility study and construct a project to reclaim the Salton Sea.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3821

Mr. GORTON. Mr. President, there is an amendment at the desk offered by Senator KYL, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington (Mr. GORTON), for Mr. KYL, proposes an amendment numbered 3821.

Mr. GORTON. 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:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Salton Sea Reclamation Act of 1998''.

(b) TABLE OF CONTENTS—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions. .....

TITLE I—SALTON SEA FEASIBILITY STUDY

Sec. 101. Feasibility study authorization.
Sec. 102. Concurrent wildlife resources studies.
Sec. 103. Salton Sea National Wildlife Refuge renamed as Sonny Bono Salton Sea National Wildlife Refuge.

TITLE II—EMERGENCY ACTION TO IMPROVE WATER QUALITY IN THE ALAMO RIVER AND NEW RIVER

Sec. 201. Alamo River and New River irrigation drainage water.

SEC. 2. DEFINITIONS.

In this Act:

(1) The term 'Committees' means the Committee on Resources and the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Environment and Public Works of the Senate.

(2) The term 'Salton Sea Authority' means the Joint Powers Authority by that name established under the laws of the State of California by a Joint Power Agreement signed on June 2, 1993.

(3) The term 'Secretary' means the Secretary of the Interior, acting through the Bureau of Reclamation.

TITLE II—SALTON SEA FEASIBILITY STUDY

SEC. 101. SALTON SEA FEASIBILITY STUDY AUTHORIZATION.

(a) IN GENERAL.—No later than January 1, 2000, the Secretary, in accordance with this section, shall complete all feasibility studies and cost analyses for the options set forth in subsection (b)(2)(A) necessary for Congress to fully evaluate such options.

(b) FEASIBILITY STUDY.—

(1) IN GENERAL.—

(A) the Secretary shall complete all studies, including, but not limited to environmental and other reviews, of the fasibility and benefit-cost of various options that permit the continued use of the Salton Sea as a reservoir for irrigation drainage and (1) reduce and stabilize the overall salinity of the Salton Sea, (2) stabilize the surface elevation of the Salton Sea, (3) reclaim, in the long term, healthy fish and wildlife resources and their habitats, and (4) enhance the potential for recreational uses and economic development of the Salton Sea.

(B) Based solely on whatever information is available at the time of submission of the report, the Secretary shall (1) identify any options he deems economically feasible and cost effective, (2) identify any additional information necessary to develop construction specifications, and (3) submit any recommendations, along with the results of the study to the Committees no later than January 1, 2000.

(B)(i) The Secretary shall carry out the feasibility study in accordance with a memorandum of understanding entered into by the Secretary, the Salton Sea Authority, and the Governor of California.

(ii) The memorandum of understanding shall, at a minimum, establish criteria for evaluation and selection of options under subparagraph (2)(A), including criteria for determining benefits and the magnitude and practicability of costs of construction, operation, and maintenance of each options evaluated.

(2) OPTIONS TO BE CONSIDERED.—Options considered in the feasibility study—

(A) shall consist of, but need not be limited to—

(i) use of impoundments to segregate a portion of the waters of the Salton Sea in one or more evaporation ponds located in the Salton Sea basin;

(ii) pumping water out of the Salton Sea;

(iii) augmented flows of water into the Salton Sea;

(iv) a combination of the options referred to in clauses (i), (ii), and (iii); and

(v) any other economically feasible remediation option the Secretary considers appropriate and for which feasibility analyses and cost estimates can be completed by January 1, 2000;

(B) shall be limited to proven technologies; and

(C) shall not include any option that—

(i) relies on the importation of any new or additional water from the Colorado River; or

(ii) is inconsistent with the provisions of subsection (c).

(3) ASSUMPTIONS.—In evaluating options, the Secretary shall apply assumptions regarding water inflows into the Salton Sea Basin that encourage water conservation, account for transfers of water out of the Salton Sea Basin, and are based on a maximum likely reduction in inflows into the Salton Sea Basin which could be 800,000 acre-feet or less per year.

(4) CONSIDERATION OF COSTS.—In evaluating the feasibility of options, the Secretary shall consider the ability of Federal, tribal, State and local government sources and private sources to fund capital construction costs and annual operation, maintenance, energy, and replacement costs and shall set forth the basis for any cost sharing allocations as well as anticipated repayment, if any, of federal contributions.

(c) RELATIONSHIP TO OTHER LAW.—

(1) RECLAMATION LAWS.—Activities authorized by this Act shall not be subject to the Act of June 17, 1902 (32 Stat. 388; 43 U.S.C. 391 et seq.), and Acts amendatory thereof and supplemental thereto. Amounts expended for those activities shall be considered nonreimbursable for purposes of those laws and shall not be considered to be a supplemental or additional benefit for purposes of the Reclamation Reform Act of 1982 (96 Stat. 1263; 43 U.S.C. 390aa et seq.).

(2) PRESERVATION OF RIGHTS AND OBLIGATIONS WITH RESPECT TO THE COLORADO RIVER—This Act shall not be considered to supersede or otherwise affect any treaty, law, decree, contract, or agreement governing use of water from the Colorado River. All activities taken under this Act must be carried out in a manner consistent with rights and obligations of persons under those treaties, laws, decrees, contracts, and agreements.

SEC. 102. CONCURRENT WILDLIFE RESOURCES STUDIES.

(a) IN GENERAL.—The Secretary shall provide for the conduct, concurrently with the feasibility study under section 101(b), of studies of hydrology, wildlife pathology, and toxicology relating to wildlife resources of the Salton Sea by Federal and non-Federal entities.

(b) SELECTION OF TOPICS AND MANAGEMENT OF STUDIES.—

(1) IN GENERAL.—The Secretary shall establish a committee to be known as the ''Salton Sea Research Management Committee''. The committee shall select the topics of studies under this section and manage those studies.

(2) MEMBERSHIP.—The committee shall consist of the following five members:

(A) The Secretary.

(B) The Governor of California.

(C) The Executive Director of the Salton Sea Authority.

(D) The Chairman of the Torres Martinez Desert Cahuilla Tribal Government.

(E) The Director of the California Water Resources Center.

(c) COORDINATION.—The Secretary shall require that studies under this section are coordinated through the Science Subcommittee which reports to the Salton Sea Research Management Committee. In addition to the membership provided for by the Science Subcommittee's charter, representatives shall be invited from the University of California, Riverside; the University of Redlands; San Diego State University; the Imperial Valley College; and Los Alamos National Laboratory.

(d) PEER REVIEW.—The Secretary shall require that studies under this section are subjected to peer review.

(e) AUTHORIZATION OF APPROPRIATIONS.—For wildlife resources studies under this section there are authorized to be appropriated to the Secretary, through accounts within the Fish and Wildlife Service exclusively, $5,000,000.

(f) ADVISORY COMMITTEE ACT.—The committee, and its activities, are not subject to the Federal Advisory Committee Act (5 U.S.C. app.).

SEC. 103. SALTON SEA NATIONAL WILDLIFE REFUGE RENAMED AS SONNY BONO SALTON SEA NATIONAL WILDLIFE REFUGE.

(a) REFUGE RENAMED.—The Salton Sea National Wildlife Refuge, located in Imperial County, California, is hereby renamed and shall be known as the ''Sonny Bono Salton Sea National Wildlife Refuge''.

(b) REFERENCES.—Any reference in any statute, rule, regulation, executive order, publication, map, or paper or other document of the United States to the Salton Sea National Wildlife Refuge is deemed to refer to the Sonny Bono Salton Sea National Wildlife Refuge.

TITLE II—EMERGENCY ACTION TO IMPROVE WATER QUALITY IN THE ALAMO RIVER AND NEW RIVER

SEC. 201. ALAMO RIVER AND NEW RIVER IRRIGATION DRAINAGE WATER.

(a) RIVER ENHANCEMENT.—

(1) IN GENERAL.—The Secretary is authorized and directed to promptly conduct research and construct river reclamation and wetlands projects to improve water quality in the Alamo River and New River, Imperial County, California, by treating water in those rivers and irrigation drainage water that flows into those rivers.

(2) ACQUISITIONS.—The Secretary may acquire equipment, real property from willing sellers, and interests in real property (including site access) from willing sellers as needed to implement actions under this section if the State of California, a political subdivision of the State, or Desert Wildlife Unlimited has entered into an agreement with the Secretary under which the State, subdivision, or Desert Wildlife Unlimited, respectively, will, effective 1 year after the date that systems for which the acquisitions are made are operational and functional—

(A) accept all right, title, and interest in and to the equipment, property, or interests; and

(B) assume responsibility for operation and maintenance of the equipment, property, or interests.

(3) TRANSFER OF TITLE.—Not later than 1 year after the date a system developed under this section is operational and functional, the Secretary shall transfer all right, title, and interest of the United States in and to all equipment, property, and interests acquired for the system in accordance with the applicable agreement under paragraph (2).

(4) MONITORING AND OTHER ACTIONS.—The Secretary shall establish a long-term monitoring program to maximize the effectiveness of any wetlands developed under this title and may implement other actions to improve the efficacy of actions implemented pursuant to this section.

(b) COOPERATION.—The Secretary shall implement subsection (a) in cooperation with the Desert Wildlife Unlimited, the Imperial Irrigation District, California, and other interested persons.

(c) FEDERAL WATER POLLUTION CONTROL.—Water withdrawn solely for the purpose of a wetlands project to improve water quality under subsection (a)(1), when returned to the Alamo River or New River, shall not be required to meet water quality standards under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

(d) AUTHORIZATION OF APPROPRIATIONS.—For river reclamation and other irrigation drainage water treatment actions under this section, there are authorized to be appropriated to the Secretary $3,000,000.

Mr. GORTON. Mr. President, I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 3821) was agreed to.

Mr. GORTON. I ask unanimous consent that the bill, as amended, be read a third time and passed, the title amendment be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the RECORD.

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

The bill (H.R. 3267), as amended, was considered read the third time and passed.

The title was amended so as to read: ''An act to direct the Secretary of the Interior, acting through the Bureau of Reclamation, to complete a feasibility study relating to the Salton Sea, and for other purposes.''.

ORDERS FOR WEDNESDAY, OCTOBER 14, 1998

Mr. GORTON. I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 noon on Wednesday, October 14, 1998. I further ask that the time for the two leaders be reserved.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GORTON. I further ask unanimous consent that there be a period for the transaction of morning business until 1 p.m., with Senators permitted to speak for up to 5 minutes each.

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

PROGRAM

Mr. GORTON. For the information of all Senators, on Wednesday there will be a period of morning business until 1 p.m. Following morning business, the Senate may begin debate in relation to the omnibus appropriations bill, notwithstanding whether or not the papers have been received from the House. It now appears likely that a rollcall vote will be requested on passage of the omnibus bill. Members will be given 24 hours notice when the voting schedule becomes available.

RECESS

Mr. GORTON. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess, under the previous order.

Thereupon, the Senate, at 12:53 p.m., recessed until Wednesday, October 14, 1998, at 12 noon.

EXTENSIONS OF REMARKS

IMF TRANSFORMATION

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. GINGRICH. Mr. Speaker, I want to recommend to my colleagues the following editorial entitled Perils of Globalism by former Secretary of State Henry Kissinger.

Secretary Kissinger begins to tackle an issue that we, in Congress, have been debating for several months. In Secretary Kissinger's words, he eloquently states what many members believe, that the ''IMF must be transformed. It should be returned to its original purpose as a provider of expert advise and judgement, supplemented by short-term liquidity support. When the IMF focuses on multi billion-dollar loans, it plays a poker game it cannot possibly win; the 'house', in this case, the market, simply has too much money. Congress should use the need for IMF replenishment to impose such changes.''

Without proper reforms, the situation of insolvency within this organization will remain, and the backlash of improper management of funds, especially those of American taxpayers, will be felt across the globe.

I strongly urge all of my colleagues to take time and read Perils of Globalism to gain a better understanding of problems the IMF is facing.

PERILS OF GLOBALISM

What began 15 months ago as a currency crisis in Thailand and then spread across Asia now threatens the industrialized world.

No government and virtually no economist predicted the crisis, understood its extent or anticipated its staying power. A series of IMF rescue packages has not arrested its spread and threatens the political institutions implementing them. In Indonesia a regime tainted by cronyism has been overthrown. But in Brazil, the crisis threatens one of the most reform-minded governments in decades.

What was treated at first as a temporary imbalance is becoming a crisis of the world's financial system. In the past 20 years, two Mexican crises, in 1982 and 1994, spread to most of Latin America; the Asian crisis of 1997 has already infected Eastern Europe, South Africa and Latin America. Each crisis has been more extensive and has spread more widely than its predecessor.

Free-market capitalism remains the most effective instrument for economic growth and for raising the standard of living of most people. But just as the reckless laissez-faire capitalism of the 19th century spawned Marxism, so the indiscriminate globalism of the 1990s may generate a worldwide assault on the concept of free financial markets. Globalism views the world as one market in which the most efficient and competitive prosper. It accepts—and even welcomes—that the free market will relentlessly sift the efficient from the inefficient, even at the cost of periodic economic and social dislocation.

But the extreme version of globalism neglects the mismatch between the world's political and economic organizations. Unlike economics, politics divides the world into national units. And while political leaders may accept a certain degree of suffering for the sake of stabilizing their economies, they cannot survive as advocates of near-permanent austerity on the basis of directives imposed from abroad. The temptation to seek to reverse—or at least to buffer—austerity by political means becomes overwhelming. Protectionism may prove ineffective in the long term, but for better or worse, political leaders respond to more short-term cycles.

Even well-established free-market democracies do not accept limitless suffering in the name of the market, and have taken measures to provide a social safety net and curb market excesses by regulation. The international financial system does not as yet have these firebreaks. Nor is there much of a recognition that it needs them.

Ours is the first experiencing a genuinely Crony capitalism, corruption and inadequate supervision of banks were serious shortcomings. But they did not cause the immediate crisis; they were a cost of doing business, not a barrier to it. Until little more than a year ago, Asia was the fastest growing region in the world, its progress underpinned by high savings rates, a disciplined work ethic and responsible fiscal behavior.

What triggered the crisis were factors largely out of national or regional control. The various countries had exchange rates linked to the U.S. dollar. When China devalued in 1994, the dollar appreciated significantly starting in 1995, and the yen fell sharply. Southeast Asian exports became less competitive and export earnings fell. At the same time, the dollar pegs created unprecedented opportunities for speculation. It was possible to borrow dollars in New York and lend them locally for at least twice the cost of borrowing—at no apparent currency risk. The borrowers invested in real estate and excess plant capacity, creating a dangerous bubble. Local currency became overvalued and local currency holders converted into dollars, inviting speculative raids—all without significant warnings from international financial institutions.

The U.S. Treasury, convinced that the matter could be dealt with regionally and gun-shy after congressional reaction to the bailout of Mexico, refused to participate in the first round of the crisis. But when the crisis spread to Indonesia, the largest country of Southeast Asia, the threat to the global system could no longer be ignored.

At U.S. urging, the IMF intervened in both situations with its standard remedies, leading to massive austerity. Thailand's democratic institutions have so far proved relatively resilient. But for how long can it sustain interest rates of more than 40 percent, a negative growth of 8 percent and a 42 percent devaluation of its currency?

In Indonesia—a rich country with vast resources and an economy that was praised by the World Bank in July 1997 for its efficient management—the IMF, advised by an administration afraid of being accused of having political ties to leading Indonesian financial institutions, decided to make its assistance conditional on remedying virtually every ill from which the society suffered. It demanded the closing of 15 banks, the ending of monopolies on food and heating oil, and the end of subsidies.

But when 15 banks are closed in the middle of a crisis, a run on other banks is inevitable. The ending of subsidies raised food and fuel prices, causing riots aimed at the Chinese minority that controls much of the economy. As a result, as much as $60 billion of Chinese money fled Indonesia, or more than the IMF could possibly provide. A currency crisis had been turned into an economic disaster.

For a few months, a special Treasury representative worked with the government and the IMF to ease the pressures. But by April the IMF was back at the old stand. This time the explosion swept away the Suharto regime. A currency crisis, having been transmuted into an economic crisis, has become a crisis of political institutions. Any real economic reform stands suspended. The shortcomings of Suharto were real enough, but to try to deal with them concurrently with the currency crisis has produced a political vacuum in the most populous Islamic nation in the world.

Ours is the first period experiencing a genuinely global economic system. Markets in different parts of the world interact continuously. Modern communications enable them to respond instantaneously. Sophisticated credit instruments provide unprecedented liquidity. Hedge funds, the trading department of international banks and institutional investors possess the reach, power and resources to profit from market swings in either direction, and even to bring them about. It is market stability that they find uncongenial.

Broadly speaking, direct foreign investment benefits from the well-being of the societies in which it operates; it runs the risks and is entitled to the benefits of the host country. By contrast, modern speculative capital benefits from exploiting emerging trends before the general public does. It drives upswings into bubbles and down cycles into crises, and in a time frame that cannot be significantly affected by the kind of macroeconomic remedies being urged on the political leaders.

For example, when Asian creditworthiness began to fall, financial institutions and fund managers holding the debt were tempted to sell Asian currencies short, thereby accelerating devaluation and compounding the difficulty of repaying debt. Speculators were acting rationally, but the result was a deeper, more vicious and more intractable crisis.

To maintain their overall performance, speculators, as losses mounted in Asia, were driven to cash in their holdings in Latin America and thereby spread the crisis. The capacity of smaller countries to deal with these massive capital flows is not equal to the temptations offered by the system. Regulators in the United States, Europe and Japan have not succeeded in dampening the increased volatility of the market. And small and medium-sized countries are defenseless in the face of it.

The speculators will argue that they are only exploiting weaknesses in the market, not causing them. My concern is that they have a tendency to turn a weakness into a disaster. If Brazil is driven into deep recession, countries such as Argentina and Mexico, heretofore committed to free-market institutions, may be overwhelmed.

The crisis in Brazil is a case in point. Despite a reform-minded and, on the whole, efficient government, Brazil faces a crisis

partly because, as one of the largest and most liquid emerging markets, it is one of the easiest from which to withdraw. If these trends are not arrested, global flows of capital will be impeded by a plethora of national or regional regulations, a process that has already begun.

The International Monetary Fund, the principal international institution for dealing with the crisis, too often compounds the political instability. Forced by the current crisis into assuming functions for which it never was designed, the IMF has utterly failed to grasp the political impact of its action. In the name of free-market orthodoxy, it usually attempts—in an almost academic manner—to remove all at once every weakness in the economic system of the afflicted country, regardless of whether these caused the crisis or not. In the process, it too often weakens the political structure and with it the precondition of meaningful reform. Like a doctor who has only one pill for every conceivable illness, its nearly invariable remedies mandate austerity, high interest rates to prevent capital outflows and major devaluations to discourage imports and encourage exports.

The inevitable result is a dramatic drop in the standard of living, exploding unemployment and growing hardship, weakening the political institutions necessary to carry out the IMP program.

The situation in Southeast Asia is a case in point.

All this might make sense if the IMF programs brought demonstrable relief. But in every country where the IMF has operated, successive programs have lowered the forecast of the growth rate, which, in Indonesia, is now a negative 10 percent, in Thailand a negative 5 percent and in South Korea an optimistic positive one percent. It could be argued that without the IMF program, conditions would be worse, but his is no consolation to governments and institutions facing massive discontent.

The inability of the IMF to operate where politics and economics intersect is shown by its experience in Russia. In Indonesia the IMF contributed to the destruction of the political framework by excessive emphasis on economics; in Russia it accelerated the collapse of the economy by overemphasizing politics. The IMF is, quite simply, not equipped for the task it has assumed.

The immediate challenge is to overcome the crisis in Brazil and preserve the free-market economics and democracy in Latin America. A firm and unambiguous commitment by the industrial democracies, led by the United States, is essential to buttress the necessary Brazilian reform program.

An expanding American economy is the key to restoration of global growth. Whether this is achieved by a cut in interest rates or a major tax cut, a strong commitment is reinvigorated growth is essential.

Above all, the institutions that deal with international financial crises are in need of reform. A new management to replace that of Bretton Woods is essential. It must find a way to distinguish between long-term and speculative capital, and to cushion the global system from the excesses of the latter.

The IMF must be transformed. It should be returned to its original purpose as a provider of expert advice and judgment, supplemented by short term liquidity support. When the IMF focuses on multibillion-dollar loans, it plays a poker game it cannot possibly win; the ''house,'' in this case the market, simply has too much money. Congress should use the need for IMF replenishment to impose such changes.

Further, the central banks and regulators of the industrial democracies need to turn their attention to the international securities markets, just as they did to international banking after the debt crisis of the 1980s. Regulatory systems should be strengthened and harmonized; the risks that investors are taking should be mad more transparent.

Finally, the private sector must learn to relate itself to the political necessities of host countries. I am disturbed by the tendency to treat the Asian economic crisis as another opportunity to acquire control of Asian companies' assets cheaply and to reconstitute them on the American model. This is courting a long-term disaster. Every effort should be made to work with local partners and to turn acquisitions into genuinely cooperative enterprises.

HONORING HOWARD ST. JOHN

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. HINCHEY. Mr. Speaker, before we adjourn for the year, I wanted to take a moment to honor Howard St. John, who is stepping down from the chairmanship of Ulster Savings Bank after a long and very rewarding career there. Howard has had, in a sense, many careers—as a District Attorney, President and member of many professional and charitable boards and associations, and as a very successful local businessman. Through his many endeavors and successes he has never lost his warmth and generosity or his personal touch with regular people. He has contributed to the health and well being of numerous families throughout the Hudson Valley, helping them to realize their dreams in many different ways. I join my friends back home in saluting him upon his retirement from Ulster Savings Bank and wish him the very best in what I hope will be a long and fruitful retirement.

CHARITABLE GIVING INCENTIVE ACT, HR 3029

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. DUNN. Mr. Speaker, among the provisions included in the tax package we passed yesterday is a provision of great importance to the charitable giving community: an extension of the enhanced deduction for contributions of publicly-traded stock to private foundations. Although extending this deduction benefits many is a useful tool for providing funds for charitable purposes, this deduction alone is not enough.

In this era of ever-tightening fiscal constraints, we have asked our communities to do more and more for those less fortunate. Charitable organizations in our communities have become an integral part of the safety net for the poor and homeless and significant sources of assistance for education, health care, child development and the arts in every community.

To meet the increasing deficit in unmet social needs, the government cannot merely expect the private sector to fill the gap, but must provide the leadership for the use of private sector resources through changes in the tax code. One source of untapped resources for charitable purposes is the contribution of closely-held corporate stock. Under current law, the tax cost of contributing closely-held stock to a charity or foundation is prohibitive, and it discourages families and owners from disposing of their businesses in this manner.

Earlier this year, I was joined by Representatives Furse, Nethercutt, Hooley, Paul and Smith of Oregon in introducing legislation that would also provide an incentive to business owners to use their corporate wealth for charitable causes. H.R. 3029, the Charitable Giving Incentive Act of 1998, would permit a closely-held business to transfer its assets into a 501(c)(3) charitable organization without paying the 35 percent corporate level tax. Thus, the recipient charity would receive the full benefit of the gift. Identical legislation has also been introduced in the Senate by Senators Smith of Oregon, Feinstein, Wyden, Baucus and Gorton.

In addition to this bipartisan Congressional support, we have garnered support from the charitable community. Below is a letter signed by several organizations that represent thousands of charitable institutions across the country, calling for enactment of this legislation. It is my intention to reintroduce this legislation in the 106th Congress and I look forward to working with the Ways and Means Committee Chairman Archer, Ranking Member Rangel and my House colleagues to legislate changes that will make it easier for the citizens of this country to give to charitable causes.

October 9, 1998

Representative BILL ARCHER,
Chairman, House Committee on Ways and Means, House of Representatives, Washington, DC.

The undersigned organizations are all tax exempt 501(c)(3) charitable entities, or representatives thereof, whose efforts are dependent upon the charitable giving of concerned individuals. With the needs of our communities growing, and in some cases the financial support from government agencies diminishing, many endeavors are increasingly reliant upon a core group of concerned, consistent, and active givers. It is important to encourage and reward the selfless sharing by this group and to expand its membership.

Accordingly, we support legislation that has been introduced in this Congress to provide tax incentives for the donation of significant amounts of closely-held stock. H.R. 3029 and S. 1412, the Charitable Giving Incentive Act, would permit the tax-free liquidation of a closely-held corporation into a charity if at least 80 percent of the stock of the corporation were donated to a 501(c)(3) organization upon the death of a donor. Thus, the 35 percent corporate tax that would otherwise be paid is not imposed: all of the value of the contribution would go to charitable purposes. This is the same tax result as would occur if the business had been held in non-corporate form.

The current disincentive for substantial contributions of closely-held stock should be corrected at the earliest opportunity. We believe such a change would encourage additional transfers to charity because the donors will see more of the benefit going to the charity and not to taxes. We hope that appropriate tax incentives will encourage more families to devote significant portions of their businesses, and their wealth, to charitable purposes.

As a key member of Congress, we urge your active support for this effort to expand

charitable giving by individuals and businesses. The needs are great. While government cannot do it all, it can provide leadership for others to do more by removing current impediments. Your support and assistance are needed. Thank you for you favorable consideration of this request.

Sincerely,

Council on Foundations, The Children's Foundation, Council of Jewish Federations, The National Federation of Nonprofits, The National Community Action Foundation.

THE DEMOCRATIC RIGHTS FOR UNION MEMBERS ACT OF 1998 (DRUM)

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. FAWELL. Mr. Speaker, I rise to introduce the Democratic Rights for Union Members Act of 1998. I am gratified that one of my last acts as a member of Congress, and as Chairman of the Employer-Employee Relations Subcommittee, is to present and discuss legislation which I trust is a first step in amending one of the nation's most important labor laws.

Four decades have passed since the enactment of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), also known as the Landrum-Griffin Act. The LMRDA is the only law governing the relationship between labor leaders and their rank-and-file membership. When my Subcommittee began hearings in May on the issue of union democracy, our purpose was to determine the status of union democracy under the LMRDA and to see if the democratic principles guaranteed by federal law are being upheld in union activities throughout the United States. We also wanted to identify possible legislative remedies to improve the law if it were falling short in protecting the rights of hardworking men and women who belong to unions.

Since May, the Subcommittee has held four hearings in the union democracy series. In May, we heard from a variety of local union officials and rank-and-file, including those from the Carpenters, Laborers, and Boilermakers unions. We were also privileged to hear from one of the country's foremost expert in union democracy law, Professor Clyde Summers. It was Summers, who, forty years ago, at Senator John F. Kennedy's request, fashioned a ''bill of rights'' for union members which became Title I of the LMRDA.

Our June hearing featured Herman Benson, a founder and enduring leader of the Association of Union Democracy, as well as the Carpenter's union rank-and-file and their president, Douglas McCarron. This hearing centered on the right to a direct vote which was abrogated by the implementation of a nationwide restructuring of the union resulting in unilateral dissolution and merging of locals.

Hearings in August and September focused on election irregularities and the lack of financial disclosure in the American Radio Association, a small union illustrating the ease with which democratic principles can be lost.

Union democracy is a bi-partisan issue. Even in 1959, the LMRDA was passed because two sides without much in common came together for the good of the rank and file. My Subcommittee has conducted the union democracy hearings in a bi-partisan manner. I hope Congress can repeat history by passing another bill to amend the LMRDA and further strengthen its principles.

In 1959, labor leaders opposed the LMRDA. In the vanguard of those who led the successful effort to pass the Act were Professor Summers and Herman Benson. Both of these men have been outstanding advocates for unions and the labor movement. Both recognize that you cannot have a strong, healthy labor movement unless rank-and-file members have democratic rights within that movement. As Professor Summers has written, ''workers gain no voice in the decision of their working life if they have no voice in the decisions of the union which represents them.''

If I had to draw a conclusion from the union democracy hearings held so far this year, I would assume that labor leaders would once again oppose any changes to the Act. It would seem that labor leaders have found the ''Loopholes'' in the LMRDA and have not voiced, as of yet, any concerns about how the law operates in practice. Rather, it is the rank-and-file members who have recounted endless accounts of violence, intimidation, abuse and other examples of an erosion of democratic principles in this country's unions.

The next Congress has much work to do on this issue. However, the bill I introduce today is a good start. This legislation makes two necessary amendments to the LMRDA, important first steps, proposed by Professor Summers and Mr. Benson. As I have indicated, these men are pioneers in the field of union democracy law and I implore members from both sides of the aisle to recognize the wisdom of their proposals.

Professor Summers began studying and writing about the rights of union members in 1945 after receiving his law degree. In 1952, he wrote ''Democracy in Labor Union,'' a policy statement adopted by the American Civil Liberties Union. He has been teaching, writing, and lecturing on union democracy law ever since, always with an emphasis on employee rights and industrial democracy. His writings include more than 100 law review articles. To this day, Professor Summers is a tireless advocate of union democracy and served on the board of directors for the Association of Union Democracy.

The Subcommittee also received testimony and assistance from Herman Benson, another of the nation's foremost experts in this field. Mr. Benson is a retired toolmaker and machinist and member of various unions over the years, including United Auto Workers, International Union of Electricians, and United Rubber Workers. From 1959 to 1972, he edited and published ''Union Democracy in Action.'' He co-founded the Association for Union Democracy and continues to serve as editor of ''Union Democracy Review.'' Mr. Benson has devoted his professional career to battling against corruption or authoritarianism in unions. I request that their written statements in support of the bill be placed in the record following the bill and my remarks.

Two basic rights, rooted in democracy, are addressed by my bill. The two provisions address voting rights and trusteeships. Both Professor Summers and Herman Benson strongly believe these steps should be taken. As to the first amendment, the LMRDA permits election of local union officers by a direct vote, but officers of district councils and other intermediate bodies can be elected by delegates. My bill, DRUM, provides that in instances where an intermediate union body assumes the basic responsibilities customarily performed at the local union level—such as collective bargaining and the running of hiring halls, for example—in these instances, the members would have the right to a direct, secret ballot vote to elect officers of that intermediate body. This is the same right members currently have with respect to electing their local union officers. It is important that officers be elected by direct vote if the vitality of democratic control is to be preserved.

As to the second amendment, the LMRDA intended that local unions could be placed under trusteeship in the event of corruption or other abuse. Unfortunately, trusteeships are sometimes used to eliminate local dissidents and to destroy local autonomy, contrary to the democracy ensured by LMRDA. Moreover, once the trusteeship is imposed, the trusteeship is presumed valid for 18 months. Litigation to remove the trusteeship can take months or year longer. DRUM provides for the removal of this 18 month presumption of the trusteeship's validity. Removal of this presumption opens the door to legitimate challenges to the imposition of a trusteeship. This is the kind of due process any decent union would provide before destroying the local autonomy upon which LMRDA is founded.

These basic individual liberties embody the democratic principles on which this country is founded. These are rights that should be enjoyed by all Americans, and certainly American union workers. I urge all of my colleagues, Republicans and Democrats alike, to join me in supporting these important amendments to the LMRDA, and I urge members of the 106th Congress to build upon this small, but important beginning.

STATEMENT OF CLYDE W. SUMMERS

My name is Clyde W. Summers, and I am Professor of Law at the University of Pennsylvania Law School.

In considering the proposed bill, we must first set out the underlying premises on which it must rest.

When the Wagner Act was passed in 1935, one of the basic purposes of the statute was to give workers an effective voice, through collective bargaining, in decisions which govern their working lives. In the words of that time, to provide for a measure of industrial democracy.

Collective bargaining, however, can serve the purpose of industrial democracy only if the unions which represent the workers are democratic. For workers to have an effective voice in the decisions of the workplace, they must have an effective voice in the decisions of the union which speaks for them. For collective bargaining to serve fully its social and political function in a democratic society, unions must be democratic.

This was the basic premise of the Landrum-Griffin Act. Its fundamental purpose is to guarantee union members their democratic rights within their union and an effective voice within their union. The union would then be responsive to the felt needs and desires of those for whom the union spoke.

The Landrum-Griffin Act has served this purpose in substantial measure. It has provided members a Bill of Rights; it has increased transparency and responsibility in union finances; it has established standards

for fair elections; and it has articulated the fiduciary obligations of union officers. It has enriched the democratic processes in union government, has encouraged union members to make their voices heard.

This does not mean that the statute is without its flaws, or that it has fully realized its purposes. Forty years of experience under the statute has revealed limitations of foresight and unforseen gaps that permit practices which can defeat its purposes.

I will discuss only the two problems which the proposed bill addresses, both of which focus on substantial gaps and defects. I fully support these proposals because I believe that they are needed for the statute to fulfill its purposes.

Section 4 proposes a modest but important change in Title III dealing with trusteeships. At the outset, it must be recognized that when an international union imposes a trusteeship over a local union, the officers elected by the local union members are removed from office and replaced by a trustee appointed by the international officers. Local union meetings may be suspended, union members may have little or no voice in the decisions of the union, and the local union looses all control over local union funds. In short, a trusteeship is a total denial of the democratic process in the local union.

Title III sets out the standards for imposing a trusteeship and the procedures for challenging the trusteeship in the courts. The Title has been visibly inadequate almost from the time the statute was passed.

Section 403(g) presently provides that during the first 18 months, the trusteeship should be presumed valid, and after 18 presumption of validity has meant, for practical purposes, that trusteeships are immune from challenge for the first 18 months. Indeed, the likelihood of succeeding in such a suit is so slight that suits are seldom brought during this period.

Where the trusteeship has its roots in political differences between local and international officers, the officers elected by the local union members are ousted and replaced by those chosen by the international officers. After 18 months the trustee appointed by the international and his supporters have solidly entrenched themselves in control of the administrative structure of the local union and have the great advantage of incumbency, if and when an election is held. The originally elected officers may be permanently displaced.

In view of the serious impact of trusteeship on the democratic rights of local union members, a presumption of validity can not be justified. In those cases where suspending the democratic process is justified, the international officers should be able to prove the need by at least a preponderance of the evidence. After 18 months, the need for the continuation of the trusteeship should be proved by clear and convincing evidence.

I believe that these changes in the burden of proof provided in the proposed bill will appropriately reduce the stifling of the democratic process at the local union level.

Frequently, when the trusteeship is declared ended and union meeting resumed, the person named as trustee continues as the presiding officer and in effective control of the local union until the next scheduling election, which may be a year or more later. During that period, the members do not have officers of their choosing, and during that period the trustee is able to more solidly entrench himself in control so that the originally elected officers or others will be at a substantial disadvantage.

In my view, it would be preferable to provide that the elected officers should be reinstated in office unless they have been tried and found guilty of conduct justifying their removal from office. It they are not reinstated, then a new election should be held as promptly as possible.

Section 5 of the proposed bill fills a gap which was overlooked when the statute was drafted. Title IV governing elections provided in Section 401 that local union officers should be elected by direct vote of the members, as contrasted with election by delegates which was permitted for international officers. Direct election was required even in so-called amalgamated local unions which had separate sections in a number of separate establishments.

The requirement of direct elections recognized traditionally that the representative functions in most unions of negotiating collective agreements and handling grievances was carried on primarily at the local level. It was here that members could most effectively exercise their voice; it was here that members most actively participated; it was here that the union should be most responsive. Direct elections gave the employees a more effective voice than indirect election by delegates.

In the drafting of Landrum-Griffin, little attention was given to the intermediate bodies such as general committees, system boards, joint boards and joint councils. In part, this was because many of them did not perform functions which directly impacted on the members' working lives. With little reflection, section 401 (d) of title IV provided that such intermediate bodies could elect their officers by indirect vote of delegates.

In the intervening years, the trend toward centralization in unions has led to giving some of these intermediate bodies increased functions in negotiating collective agreements, appointing business agents, and handling grievances, with an inevitable increase in control of union funds. In some cases, these intermediate bodies have, for practical purposes, supplanted the local unions, leaving the local unions little more than empty shells.

It would be futile to set our faces against centralization because it may be necessary for effective representation. However, this should not deprive union members of a direct and effective voice in electing officers performing these functions. Election by delegates significantly muffles the members' voice and makes these bodies less responsive to the needs and desires of the members.

Where an intermediate body performs the traditional functions of a local union, negotiating collective agreements, naming business agents, and administering agreements, then they should be treated as local unions for purposes of election of officers. The officers of such intermediate bodies should be elected by direct membership vote. Section 5 of the proposed bill accomplishes this purpose.

In closing, I would like to emphasize that the proposed amendments here make no basic changes in the statute. They do, however, preserve and reinforce the democratic process at the point where the union most directly affects the members' working lives.

Historically, the democratic process of unions has had its greatest vitality at the local or base level of the union structure. It has been at this level that union members have looked to the union for representation; and it has been at this level that union members have been most active in making their voices heard. It is this level where the law should give primary attention to protecting and promoting the democratic process.

I am a founder and secretary treasurer of the Association for Union Democracy, established in 1969 to promote the principles and practices of internal union democracy in the American labor movement; including free speech, fair elections, and fair trial procedures, precisely the kind of rights written into federal law in the Labor-Management Reporting and Disclosure Act of 1959. We believe that strong labor unions are essential to democracy in the nation. I, myself, have been a toolmaker by trade and at various times a member of the United Auto Workers, the United Rubber Workers, and International Union of Electrical Workers. I still am a member of the UAW.

In the course of the last 50 years, I have been in touch with tens of thousands of unionists, individual rank and filers, organized caucuses, and elected officers in most major unions in the United States.

The adoption of the LMRDA in 1959 has, over the years, effected a sea change in the state of union democracy in the United States. Before LMRDA, members were expelled for criticizing their officers—usually on charges of slander; they could be expelled for suing the court or for complaining to authorized government agencies. In some unions they could be expelled for organized campaigning for union office or even for circulating petitions on union business within their own unions. Now all that is illegal because the basic rights of civil liberties in unions are written into federal law. The LMRDA has strengthened the labor movement by strengthening the rights of members in their unions.

In time, however, some union officials have discovered certain weaknesses, or more precisely loopholes, in the law which have enabled them to evade or circumvent its aims and, in some respects, to turn the clock back to the days before LMRDA. The proposed amendments are intended to strengthen the effectiveness of the law by closing two of the most egregiously abused loopholes.

The direct election of officers of certain ''intermediate'' bodies:

The central aim of the LMRDA was to protect the basic right of union members to choose their own leaders and to enable them to correct abuses by strengthening their right to elect or to replace those officers. Since the local union has generally been the main source of grassroots power, the place where collective bargaining agreements were negotiated and enforced, the union unit which impinged most directly on the life of workers, the LMRDA was careful to establish explicit measures to assure the rights of members in their locals. Terms of office were limited to three years. Local officers had to be elected by direct secret ballot of the membership. In short, union members were assured direct control over their own officers.

However, in this respect, the law is being evaded in wide sections of the labor movement, particularly in the building trades. Locals are being consolidated into district councils. The councils take over all the collective bargaining rights and responsibilities formerly the province of the locals: the councils, not the locals, negotiate and sign agreements with the employers, appoint the business agents, implement and enforce the contracts and grievance procedures, control hiring halls and job referrals. By losing control over the collective bargaining process, locals are reduced to mere administrative shells. The members continue to elect local officers, but these officers are essentially powerless. Real power passes into the hands of district officers.

But the district council setup permits officers to evade the provisions of the law for direct elections because the law now permits officers by such ''intermediate'' bodies to elect their officers, not by direct membership vote, but by vote of council delegates (''Intermediate'' bodies are those units above the local level but below the international level.)

Under this structure, the officers of a district council with, say, 10,000 members could be subject to election by a council consisting of perhaps 100 delegates from locals, which means that anyone who could control the votes of at least 51 delegates could dominate the affairs of 10,000 members. The reality of union politics (and perhaps most politics) is that an international union has ample powers and resources to control, win over, some might even say to buy off, a handful of delegates by a myriad of means: union staff jobs, favored treatment, junkets, moral and practical support in their locals, etc.

Direct election by local members allows the rank and file to control their officers. Election by council delegates, allows the international to control the delegates and the officers; the LMRDA is eviscerated.

One proposed amendment would simply restore the rights originally intended by the LMRDA. In essence it means that the officers of those intermediate bodies which have taken over the rights and functions of locals in collective bargaining will be elected by direct membership vote, just as in the locals, thereby restoring the right of members directly to control their own officers. However, where intermediate bodies still exist essentially as administrative units outside the collective bargaining process, they will continue to have the right to elect offices by delegate vote.

Union spokesmen and others argue that it is necessary to centralize power in the hands of district organizations in order to strengthen the unions in their dealing with employer conglomerates and to make them more efficient in organizing the unorganized. I would not quarrel with that contention. However, the aim of ''modernizing'' unions does not justify the proposed restrictions on membership rights, especially the right to elect officers by direct membership vote. Quite the contrary. The more centralization becomes necessary, the more necessary it becomes to strengthen democratic rights as a counterweight to the bureaucratic tendencies inevitable in all centralization. The adoption of a new U.S. Constitution was necessary to strengthen the United States by giving powers to a central national authority. But precisely because that move was essential to national welfare, it was necessary, at the same time, to bolster democratic rights by adding the Bill of Rights to the new Constitution. Some of our union officers want the authority and the centralization but without the saving salt of democracy.

Recourse against improper trusteeships

One of the glaring abuses revealed at hearings of the McClellan Committee in the late fifties was the practice by various international unions of arbitrarily lifting the autonomous rights of locals and other subordinate bodies and subjecting them to control by appointed trustees. In many instances, international officials used the trusteeship device to loot local treasuries, to eliminate independent-minded critics, even to prevent the replacement of corrupt officials by reformers, and to manipulate the votes of locals in referendums and at conventions.

Title III of the LMRDA aimed to provide recourse against these abuses. At the time, this section of the law was considered so important that it was one of the few major provisions that allowed for alternate means of enforcement: either by private suit or by a complaint to the Labor Department.

As written, the provision has had some positive effect. At the time the LMRDA was adopted in 1959, the Labor Department reported, 487 trusteeships were current. In June 1998, thirty-nine years later, 311 trusteeships were reported. [see Union Democracy Review, No. 120]. The law has made it much more impossible. The law does restrict the ability to manipulate the local's votes. But it has not succeeded in preventing an international union from misusing the trusteeship device to undermine and repress members rights, to discredit and destroy critics of the top officials. The trouble is that, as time passed, those who use trusteeships for devious aims have learned how to thwart and evade the purposes of Title III, which is why it needs strengthening.

Title III permits trusteeships to be imposed for certain legitimate reasons; and, if unions actually obeyed the law, there would be little problem. However, to evade the requirements of Title III, a union officialdom need only learn how to fill out the required reporting form. If the real purpose of a trusteeship is illegitimate, the international can easily conceal that fact simply by listing a legitimate, but vaguely formulated, purpose permitted by the law. Over the years, union officials have discovered that they can do this with impunity because the enforcement provisions of Title III are ineffective.

The Labor Department has no incentive for checking the validity of the Title III reporting forms because the law authorizes it to investigate the validity of a trusteeship only upon the complaint of a union member. Moreover, the law presumes a trusteeship valid for 18 months. In no single case known to me has the Labor Department ever challenged a trusteeship in court before the lapse of 18 months, even after union members have submitted persuasive complaints to it. The same problem faces complainants in Federal court, where judges routinely dismiss complaints against trusteeships on procedural grounds before the 18-month period has expired.

It is not difficult for a complaining union member to succeed in lifting a trusteeship once the 18 months is up and the presumption of validity has been removed. At that point, judges and the Labor Department offer recourse, but by that time it is too often too late to revive any momentum for democracy that has been lost.

It is true that sometimes trusteeships are imposed for legitimate reasons: to root out corruption or to restore orderly democratic procedure; and nothing in the proposed LMRDA amendments will eliminate that power. Unfortunately, there are other cases, too many, where trusteeships are imposed, on one pretext or another, to suppress challenge from below to the officialdom above. In such instances, trustees utilize that 18-month period, during which their power is virtually immune from challenge, to undermine their rivals or critics. Elected local officers are usually suspended or removed. Local meetings are often abandoned, sometimes collective bargaining contracts are imposed upon the membership without their consent, local bylaws are revised arbitrarily. Meanwhile, by fear or favor, the power of the trustee is employed to construct a local political machine loyal to the top officialdom. This kind of maneuver is quite possible, because the trustee controls the local's finances, grievance procedures, and—sometimes—hiring hall referrals. He normally has the power to hire and fire paid staff.

After living under these conditions for 18 months, any independent opposition is easily demoralized and tends to disintegrate. At that point, the trustee can call for new elections, supervised by a committee chosen by him or his cronies, fairly confident that no effective challenge is likely to survive.

The proposed amendment will not prevent any fair-minded union leadership, where necessary, from trusteeing a local under conditions specified under Title III. Wide latitude is permitted by the statute which authorizes trusteeships, among other specific conditions, for ''otherwise carrying out the legitimate objects of such labor organization.''

What the proposed amendment would do is quite simple.

1. It would fill an urgent need by providing, for the first time, the possibility of effective recourse against arbitrary trusteeships. By removing the 18-month presumption of validity, it would encourage the courts and the Labor Department to seriously consider complaints from unionists, look beyond what the union lists on reporting forms, and consider whether the actual operations of any trusteeship are lawful.

2. It provides for a specific additional assurance of fair treatment in the immediate aftermath of an improper trusteeship. If a union resists the lifting of the trusteeship and a complaining unionist or the Labor Department is forced to file suit in Federal court and the court orders the dissolution of the trusteeship, it would be anomalous to permit the trustee to dominate the process of choosing the self-governing local leadership for the post-trusteeship period. The amendment would require either the reinstatement of the local officers previously elected by the membership or a new election under supervision of the court, assuring them of the right to a leadership of their own choosing in a fair election.

In summary, the proposed amendments are modest and clear, they impose no burdens upon the labor movement, and they would substantially strengthen the rights of members in their unions.

TRIBUTE TO LEROY PARMENTER

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mrs. EMERSON. Mr. Speaker, recently I was reminded that some of the best things in life are those things that too often go unnoticed. Leroy Parmenter was that way. A resident of Sikeston, Missouri, he was a man whose spirit of generosity and love for life was a bright sunshine in what these days too often seems like a gray and cloudy world. I wanted to share with all of you a few words from an article in the Sikeston Standard Democrat that recounted this remarkable individual's life.

''Leroy was one of those few who accomplished good deeds quietly. I had known Mr. Parmenter since Little League and graduated from high school with his son. But as a youngster I knew nothing about the selfless devotion and true concern for others that Leroy Parmenter showed every day of his life.''

''It is sometimes awkward to know a man when you're a youngster and then to work along side him when you're grown. But it wasn't that way with Leroy. I had the pleasure to work on community projects with Leroy and was always amazed with his enthusiasm and his love of people. And believe me, it was genuine love. There was not a phony bone in his body. He visited veterans' homes and nursing homes because he wanted to let people know that someone cared about them.''

This past summer Leroy Parmenter passed away. While he isn't walking and talking with us on a daily basis, I know that his spirit remains with each of us who were touched by his kindness. His good works and thoughtful deeds have not gone unnoticed. And I hope that on those cloudy days, we'll remember others like Leroy Parmenter. You know, those

unique and caring men and women who as the Sikeston Standard Democrat noted, ''accomplish good deeds quietly. (Who) never sought/(seek) the spotlight—though are/(were) proud when projects are/(were) successful.''

Mr. Speaker, the author of this article had it right, ''Leroy's reward was a smile on a kid's face. And he brought ample smiles through the years.'' Thank you Leroy—for the lives you touched—then and today.

IN HONOR OF EDDIE BLAZONCZYK

HON. ROD R. BLAGOJEVICH

OF ILLINOIS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BLAGOJEVICH. Mr. Speaker, my colleague, Mr. KUCINICH, and I rise today to honor Mr. Eddie Blazonczyk for his contributions to the American polka tradition. He was recently recognized for his achievements by the National Endowment for Arts during a White House ceremony where he was presented with the prestigious 1998 National Heritage Fellowship Award. Mr. Blazonczyk is a bandleader who has set the standard for Chicago-style polka, a sound that defines ''polka'' music for millions of Americans.

Born in 1941, Mr. Blazonczyk was raised surrounded by the sounds of polka. His mother directed a Gorale, a southern Polish music and dance ensemble, and his father played the cello for that group. His parents also owned a banquet hall where he was exposed to some of the great polka musicians of that time. Influenced by his childhood experiences with the Polish heritage, he decided to form his own polka band, the Versatones. He worked to forge a new polka sound that incorporated more raucous, ''honky'' sounds.

Throughout his career, Mr. Blazonczyk has developed quite a following, not only among the tens of thousands of polka dancers in Polish-American communities, but also among younger musicians in Polish polka bands. His interpretation of old folk music and his ideal singing voice for Polish songs have made him a star in the polka music community. He has appeared more than 4,800 times since he began his band in 1963, and he still keeps a schedule with over 175 performances a year. His tireless zeal for his art was recognized when he received a Grammy for the National Academy of Recording Arts and Sciences in 1986.

My fellow colleagues, please join us in congratulating Mr. Eddie Blazonczyk for receiving the 1998 National Heritage Fellowship Award in recognition of his revolutionary and outstanding contributions to polka music. His singing and more than 50 recordings will be enjoyed by polka lovers for years to come.

SALUTE TO JACK CORRIGAN: MR. ECONOMIC DEVELOPMENT

HON. SHERWOOD H. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BOEHLERT. Mr. Speaker, on Monday, July 13, 1998 it was my privilege to share in a special retirement ceremony for one of the finest, most decent, most caring, sharing individuals I have ever known.

On that day, in Philadelphia, local, state, and national leaders joined in honoring Jack Corrigan upon the occasion of his retirement after Nearly 30 years of distinguished service in the U.S. Department of Commerce's Economic Development Administration.

There is so much to be said about Mr. Corrigan's superb public service. It can best be summed up by noting that in 1995 he received the Lifetime Achievement Award for excellence in the field of economic development from the National Council on Urban Economic Development for his innovative economic development, thought, and leadership.

One of the old pros in the economic development field is a long-time good friend, Dave Rally, currently Legislative Advisor to the Public Works and Economic Development Association.

When I mentioned to Mr. Rally that I would be participating in the salute to Jack Corrigan, he immediately recalled what he termed ''one of the best speeches ever'' on the subject of economic development. Guess who gave it? Jack Corrigan. Mr. Rally was so impressed by the speech that he kept it at the ready and quickly retrieved it more than three years after it was given.

I, too, was greatly impressed, so much so that I append it here to my remarks with the thought that a reading of this ''insider's look'' at the role of the Federal Government—an historical perspective—will be enlightening, instructive and inspiring for all.

Jack Corrigan brings credit to the title public servant. His dedication and good work enriched the lives of literally hundreds of thousands of Americans and helped transform areas of distress into zones of opportunity. What a magnificent legacy!

EDA AND THE FEDERAL ROLE IN ECONOMIC DEVELOPMENT—AN HISTORICAL PERSPECTIVE

(Address by John E. Corrigan, Director, Philadelphia Regional Office, Economic Development Administration, EDA Regional Meeting, Philadelphia, PA, February, 1995)

This year marks the thirtieth anniversary of the Public Works and Economic Development Act of 1965 (PWEDA). Yet what should be a year to celebrate the effectiveness and contribution of the Economic Development Administration (EDA) may become a year when EDA faces the most serious threat to its very existence. In the weeks and months ahead there will be a national debate that will challenge the validity of concepts that are the reasons why EDA was created and sustained for the past 30 years.

We, the true believers, must not simply dismiss those who see no reason for our existence as simply mean spirited heretics but rather in the coming months we must engage them in a discussion of ideas. As Peter Drucker observed: ''Every person and institution operates on the basis of a theory whether they realize it or not.'' EDA is a response to a specific theory about development. Those who seek our elimination have a very different theory of development.

There is little disagreement in the United States that the existence within our country of hundreds of areas of very low income and of persistently high unemployment is a national concern. The question which is in dispute is whether the Federal government ought to make efforts to alter the productive structure of such areas so that they may maintain their level of population, balance their trade with competing regions, and achieve a rate of growth in their per capita incomes which approximates the national rate by making those areas more competitive. There are two quite distinct theories on this. Proponents of the National Demand approach, also known as the Market approach, assert that over the long term the competitive forces of the market do create an optimal spatial distribution of economic activity. The private sector will locate where costs are least and profits greatest. Therefore if any area does show persistent symptoms of severe distress this should be interpreted as a clear warning that the nation has a declining need for this particular part of national space. We can let it deteriorate. The alternative thesis, which can be called the theory of Planned Adjustment, assumes that local economic problems persist precisely because competitive forces do not create an optimal spatial distribution of economic activity. Thus the lagging regions suffer not only because of the internal misuse of their resources but also because external investors, who are unaware of the favorable opportunities for investments in such areas, continue to pour funds into the overexpanded metropolitan areas within growing regions. These areas are lagging, in part, because they are not able to invest in infrastructure, both human and physical, which would make the area economically profitable to the private sector. Such deficiencies in the market system, it is argued, can be overcome by planning for the adaption of the supply characteristics of the lagging regions (investing in infrastructure, including capacity as well as bricks and mortar) so that they become self-sustaining, retain their population, and attract investment from the oversized metropolitan areas.

Because he believed in the first theory of development, the National Demand model, the Market model, President Nixon in 1972 called for the termination of EDA and stated boldly: ''There is no need for a national development policy''. And in 1980, President Jimmy Carter's White House Conference on Balanced National Growth and Economic Development, much to our surprise, recommended that the solution to the problem of distressed areas was for the federal government to provide assistance so that citizens could move to more prosperous areas reflecting clearly a belief in this first theory of development—vote with your feet. And President Reagan after recommending the elimination of EDA in this State of the Union message in January 1981, explained his position further by stating: ''The administration intends to deal with economic development at the subnational level by improving the national economy.''

In response we need to loudly proclaim that this theory of economic development espoused by President Nixon, by President Carter's Balanced National Growth Conference and by President Reagan is wrong, that it has no historic basis in fact and that it has not been our national economic policy for the past 150 years.

In a Senate Speech in 1981, defending EDA, Senator George Mitchell outlined that history.

In 1850, when it became apparent that the success of the Eastern States in building their rail networks promised an increase in wealth for the entire eastern seaboard, Congress enacted the Railroad Land Grant Act—truly landmark legislation—to encourage, by Federal subsidy, the expansion of the rail network in the South and West. And for 21 years thereafter, Congress continued to grant rail land rights. One Hundred Thirty One million acres to land were granted for that purpose—a Federal subsidy for Western

and Southern economic development whose worth cannot be calculated at today's prices. Beginning in the 1880's, hydroelectric power was aggressively developed with federal aid.

By 1902, 30 years of homesteading acts had not been enough to encourage the settlement of the arid parts of the West, so Congress enacted the Reclamation Lands Act of 1902, a regional economic program which has changed the face of the country. Under the Reclamation Act water projects were built in 17 Western States to irrigate arid land. Some of our great cities—Phoenix, Denver, Los Angeles—could not exist without that water. The Imperial Valley in California, the most productive farmland in the Nation could not produce without it. And, as one result, Western lands with less than 9 inches of rainfall each year now produce and agricultural product worth $4.4 billion. All based on the theory of the importance of the Federal role in economic development.

In the 1930's, when the great depression was at its worst, Federal funds were poured into regional efforts to help provide employment and economic growth in the West and South. The massive Bonneville hydro project on the Columbia River was built to provide employment in the Pacific Northwest. Today, a potato processing plant in Washington State pays one-fifth the rate of electricity that a similar plant pays in the East because of Bonneville power and the other Federal hydro projects in Washington.

The greatest of the regional development programs, the Tennessee Valley Authority, is still benefiting its seven-State area. Its series of dams, reforestation projects, power plants and fertilizer plants have lifted a region which was in the depths of poverty in 1933—its people then earned 45 percent of the national average income—to a thriving and economically productive region today.

This massive Federal assistance to the South and the West over the past century has given those areas a basis from which today's rapid rate of economic development flows. It was grounded in the recognition that not all regions of the country have identical needs, that they do not move forward in lockstep, and that help is needed at different times by different parts of the country.

Then in 1956, at the urging of the Eisenhower Administration, Congress passed The Federal Aid Highway Act which began the largest Economic Development project in human history. The project resulted from extensive national and regional planning and the total cost of the system is estimated at $129 billion. Its effect was to open the way for development in our suburbs, exurbs, and outlying rural areas.

No need for a national development policy—no need for federal intervention? The history of our country belies those statements.

Thus EDA owes its existence to the second theory—That of Planned Adjustment—which has been a national policy since 1850. However, politically, EDA exists as a result of a National debate that took place after the Second World War concerning the need for a targeted development program.

Some of you may remember as I do that the way that debate was framed in the 1950's was in the form of a question: ''If we can assist all of those countries in Europe with a Marshall Plan, shouldn't there be a Marshall Plan for our distressed areas?''

In Congress, Senator Paul Douglas of Illinois was the champion of such an approach and legislation was drafted and passed and twice vetoed by President Eisenhower. But support for such a program was building and legislation creating The Area Redevelopment Administration (ARA) was the first bill that passed the Senate and was signed by the newly elected President John F. Kennedy in May 1961. President Kennedy was enthusiastic about the program having experienced the depths of rural poverty when campaigning in West Virginia and other parts of Appalachia in the Primary race against Hubert Humphrey. During its four year history ARA obligated $350 million for projects authorized by its enabling legislation and another $851 million for public works projects under the Public Works Acceleration Act of 1962.

During 1965 a consensus was reached in Congress that the ARA approach was valid but that it needed to be refocused. Thus on August 26, 1965, President Johnson signed the Public Works and Economic Development Act. The new legislation reaffirmed the ARA mission of permanently alleviating conditions of substantial and persistent unemployment and underemployment in distressed areas and emphasized the related goal of stemming outmigration from such places. PWEDA also stressed the need to encourage expanded development in the natural growth centers of depressed areas and the importance of long-range economic planning.

In sending the EDA legislation to Congress for enactment on March 25, 1965, President Lyndon Johnson said: ''The conditions of our distressed areas today are among our most important economic problems. They hold back the progress of the Nation, and breed a despair and poverty which is inexcusable in the richest land on earth. We will not permit any part of this country to be a prison where hopes are crushed, human beings chained to misery, and the promise of America denied.''

Those words ring true today as they did 30 years ago.

EDA's advance over ARA and its originality is that it seeks to generate a process of economic development in specific areas of the country. The focus from projects to process was a key change from ARA to EDA. The Overall Economic Development Program, although not always properly implemented remains today a major contribution to economic development practice.

Another unique characteristic of EDA is the role of the Economic Development Representatives (EDRs). There is no other position like it in the Federal Government. The EDR heads a one person office in charge of one or more states. Because the EDRs are close to the economic problems of their areas and close to the people involved in them is a reason why they are so effective and important to EDA. Also the EDR reports to the Regional Director who reports to the Assistant Secretary. That flat organizational structure has resulted in many instances where an EDR talks to the Regional Director who talks to Headquarters and in a matter of hours an application is invited or a problem is solved. No other Federal program operates that way.

Now what shall we say about our collective experience in EDA—almost 30 years and $16 billion later. Let us review some of the highlights of our proud heritage.

We know that jobs spring from ideas and EDA showed the way and responded to need in dozens of initiatives. Who could count the jobs that have resulted. Is three million jobs an inflated number? Probably not.

EDA showed the way in 1967 with the designation of the first Economic Development District and today 315 Districts testify to the wisdom of a regional strategic planning approach.

EDA showed the way in 1969 in responding to the closing of the Brooklyn Navy Yard and made substantial investments in its rehabilitation for industrial and commercial use. That defense adjustment initiative continued through the 70's and 80's and 90's and continues today with $120 million of our FY 1995 budget dedicated to Defense Conversion.

EDA showed the way in 1969 in its prompt response to the ravages of Hurricane Camille in Mississippi and set in motion a role that continues in this fiscal year in our efforts in Georgia, Alabama and Florida in response to Tropical Storm Alberto, and in many major natural disasters in recent years, in Florida after Hurricane Andrew, the 1993 midwest flood, in California after the January 17 Northridge earthquake and in New England coping with the depletion of the fish stock. EDA showed the way in long term disaster recovery because we could deliver in ways that no other agency could.

EDA responded in 1974 by promptly administering a $500 million Title X program.

EDA was also a leader in 1974 with amended legislation creating the state and urban planning program and promoting the idea of linking the planning with the budget cycle and both to the executive decision making process.

EDA led again in 1975 with the introduction of the Title IX program. Twenty years later the RLF program alone has approved $400 million and leveraged $2.4 billion in private lending. And who could count the jobs?

And EDA did the job in 1976–77 with the Local Public Works Program (LPW). Over a thousand projects were approved and $6 billion obligated in twelve months. All 10,000 projects were processed in 60 days or less. We will never forget the 12 hour days and the countless Saturdays, but EDA did it.

Although physically and emotionally exhausted, EDA employees again responded in 1977 when a drought devastated parts of the country, especially in the Southwest and EDA processed an additional $175 million in water projects. In that program projects were processed and approved on average within seven working days after receipt of the application. Many projects arrived on a Monday and were approved that Friday.

EDA responded in 1978–79 when it administered $100 million dedicated to the XIII International Winter Olympic Games in Lake Placid, New York. EDA was the principal federal agency associated with the games and projects under EDA's supervision were built on time and within budget.

EDA also responded in 1983 and administered $140 million for the Emergency Jobs Act.

In 1993 in response to the declining timber harvests in the Northwest, EDA was the lead federal agency in providing resources to hire local staff in Districts and counties so that all communities in the region had the capacity to respond to the crisis and develop a strategy for investing in the locally established priorities.

During the 30 years of our history EDA was recommended for zero funding in the President's budget for 16 of those years and yet during all of those 30 years EDA has been a leader.

EDA provided the investment for the first publicly funded incubator building in this country.

EDA provided Competitive Communities type funding for one the first federally assisted Employee Stock Ownership Plans (ESOP) in the country, South Bend Lathe in Indiana.

EDA popularized RLF's when many questioned the concept.

What is the proudest achievement of all? It is that EDA created the Economic Development Profession. Thirty years ago there was no such thing. But EDA has created the profession through its funding of District staff and the early days of the 302(a) program when we funded an economic development staff in virtually every state and every major city in the country. Because of that, most of them, for the first time, had an economic development capacity.

Thirty years ago there were virtually no graduate courses in economic development

in this country and hardly any articles in professional journals. Through EDA's Research and Technical Assistance programs, we have funded the thinkers and theorists who are developing the idea that will influence tomorrow's national development process.

Now as we look at the present we should be gratified that for the first time in 30 years we have a Secretary of Commerce, Ron Brown, who has testified on behalf of EDA before our committees and who strongly supports EDA.

We have the leadership of Assistant Secretary Ginsberg who is developing a strategic vision for a new EDA—an EDA that will involve change—change which we must be prepared to embrace. He is the only Assistant Secretary EDA has had who is an economic development professional. Under his guidance, new programs are being developed. You will hear later about our Competitive Communities initiatives which will build a new economic base of globally competitive, high growth companies.

In addition, how thankful we all are for the actions of Assistant Secretary Ginsberg who announced on June 1, 1994 the delegation of grant making authority from Washington to the regions, eliminating duplicative and redundant procedures. How important that is for all of us.

The Assistant Secretary is also committed to making the agency more responsive to our clients though simplifying agency applications and by completing the review of applications in 60 days or less. We did it in LPW—we did it in the Drought program. We have done it in recent months in our Disaster recovery efforts—we will do it.

What else must we do? Assistant Secretary Ginsberg has given us a charge to mount an extensive outreach to articulate EDA's new role and its continuing importance to America's local communities. Our grantees are ready for that and they will respond.

Last month I asked each of my EDR's to prepare his or her own outreach plan to get the message out. Charlie Hammarlund, our EDR for Connecticut and Rhode Island, who incidentally is celebrating his 45th year of federal service, in this plan stated: ''I did not have to reach out to the economic development community in Connecticut and Rhode Island, they reached out to me. They were aware of our concerns and they told me what they were doing.''

I know all of you are involved in this outreach process and we must not simply depend on the vigorous commitment and work by our leaders in Washington. A few week ago I was discussing this outreach effort with the Public Works Chief in Denver, Charlie Lee, and he said: ''Jack, in our office we have discussed this and we believe that it we do not aggressively get the word out, our lack of action would be the very thing that causes EDA to die.''

There is great wisdom in this thought. Today, more than ever all of us in EDA must be sustained by the spirit of hope. Not a hope that is a distant wish. But a hope that is creative force—that is active—that makes things happen.

For example, if people in EDA would say, ''We've survived in the past—but this time the pressure is too great and we're not going to make it''—and I have heard those thoughts expressed by some of you—the very saying of those words repeated by enough people creates a life of its own and increases the change of failure. But if you say: ''Look at what EDA has done—look at all of the people who believe in us and depend on us. I am going to contact everyone of them and make sure that they let all of the EDA family (grantees and businesses, our beneficiaries) know how important EDA is,''—those very words have their own dynamic life and increase in a sure and real way EDA's continuing existence.

For it is the creative hope within us that makes a difference—that makes things happen. Finally, I would ask you to reflect on the words of Bobby Kennedy and make them your own. Shortly before he died he spoke to the students at Fordham University: ''Our future may lie beyond our vision but it is not completely beyond our control. It is the shaping impulse of America that neither fate nor nature, nor the irresistible tides of history, but the work of our own hands will determined our destiny. There is pride in that, even arrogance but there is also experience and truth. And it is the only way we can live.''

''It is the work of our own hands that will determine our destiny.''

RABBI STEVEN CARR REUBEN ON ROSH HASHANA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. WAXMAN. Mr. Speaker, I wanted to bring to my colleagues' attention the wise words spoken by Rabbi Steven Carr Reuben on Rosh Hashana.

LASHON HA-HA—THE POWER OF THE TONGUE—ROSH HASHANA 5759/1998

(By Rabbi Steven Carr Reuben)

I think I agonized these past few weeks over tonight's sermon more than anything in years. I ran a HH Sermon Seminar for the So. Cal. Board of Rabbis this year—my advice to all of them 3 weeks ago was—''Don't talk about it.'' Since then almost daily someone has called or come up to me and asked, ''What do I tell my kids, Rabbi?'' ''Where are they supposed to look for moral leadership?''

Like most of you my mind has been on information overload this week. I felt like the woman who once wrote about an overwhelming day in her life. She said, ''The washing machine broke down, the telephone kept ringing incessantly, the mail carrier brought a bill I had to no money to pay. Almost to the breaking point, I lifted my one-year-old into his highchair, leaned my head against the tray, and began to cry.

Without a word, my tiny son took his pacifier out of his mouth . . . and stuck it in mine!''

I could have used that pacifier all week, as I kept thinking about something Rabbi Milton Steinberg, one of the great rabbis of the 20th century once said—''When I was young, I admired clever people. Now that I am older, I admire kind people.''

This has certainly not been a kind week—not for Ms. Lewinsky; not for the President or his wife or his child, not for the country; not for anyone. In fact, in many ways it seems to have brought out the worst of human nature—meanness of spirit, vindictiveness, derision, humiliation.

''The worst'' because as British philosopher Bertrand Russell once noted, ''Nobody ever gossips about other people's secret virtues.''

Parents tell me everyday that they are loath to open a newspaper, listen to the radio or watch the television for fear of what they might find. We have become victims of our own technological wizardry—caught up a whirlwind of sex, lies and videotape. A media feeding frenzy to have everything about everyone sent everywhere, instantly—it is the information age run amuck.

But I see this communal trauma we are going through as one of our nation's great ''teachable moments.'' There are so many truly important lessons that we can learn and teach our children if we are open and willing.

Lesson number one might be this: ''Just because we can, doesn't mean we should.'' I fear we are becoming a society without boundaries, without restraint, without respect, without a public moral sense of decency, or compassion or human dignity.

It's as if our hierarchy of values has been turned on its head—as if ''truth'' for its own sake is the highest value in life. And so on this Jewish New Year it is worth remembering, that the 4,000 years of Jewish ethical tradition teach something quite different.

For Judaism the highest value is not truth, it is the sanctity and dignity of human life itself. We ground our values in the commitment that human life is sacred—that the Torah teaches every human being is created in the divine image, with a spark of the divine within.

You see, in Judaism the way we fulfill our destiny as human beings, is to find ways of getting that divine light within each of us to shine brighter and brighter because of what we do or what we say.

And every time we do or say anything that diminishes that inner light in another human being, by trashing their image or reputation in the world, even if what we are saying is true, we are committing one of Judaism's gravest sins.

My God, look at the society we seem to have created—it's the tabloidization of America, where even Heraldo Rivera can't compete anymore with the daily sleaze of Jerry Springer, one of the most popular shows on television; and the Kings of the radio waves are shock jocks who specialize in personal attacks and public humiliation.

That is why I so desperately want us to seize this moment as an opportunity to remember who we are—who we can be—who we must be. To remember perhaps the core, fundamental ethical value of the Torah—for we have forgotten to teach our children and remind ourselves the all-important truth that what we say really matters.

It is written simply and powerfully in the book of Proverbs: ''Death and life are in the power of the tongue.''

Do you realize that in all of the Talmud, in all of Jewish ethics after taking a life, the most serious sin in our entire tradition is the public humiliation of another human being? (2 X)

It is what the Talmud calls, LASHON HARA—THE EVIL TONGUE, and it includes not only gossip and slander, but all words that are hurtful—any speech that damages the reputation or lowers the status of another. And it's the most widespread sin there is.

In a remarkable insight into the human psyche the Talmud teaches, ''Many are guilty of stealing, fewer are guilty of sexual misconduct, but everyone commits the sin of slander; of Lashon Hara to some degree almost every day.''

That's why Rabbi Yosi ben Zimra created a fictional lecture which God delivers to our tongues: ''What else could I have done to rein you in, to control you?'' God begs the tongue. ''Though all other human limbs stand up, you lie flat.'' Though all other limbs are external and visible, I hid you inside the body, I enclosed you behind two walls, one of bone and one of flesh and even so no matter I do you still do more damage than anything else I have ever created.''

Today is Yom Hazikaron the Day to Remember—remember what? Remember who we are. Remember that we think we are human beings having a spiritual experience,

when we are really spiritual beings having a human experience.

Do you know that Jewish law commands us not to allow the body of even a convicted murderer to hang on the gallows over night? This Mitzvah is dramatized in a famous Midrash which tells the story of twins—one who becomes the King and the other becomes a thief and murderer. The thief is caught, convicted, sentenced to death and hanged in the Town Square. And as the body hangs limp for all to see, strangers who pass by not knowing what happened look at it and what do they think? The King is hanging from the gallows.

For the Rabbis, God is the King—and we are God's twins. That is why even the worst human being; one who sheds another's blood is accorded dignity and respect. Because every one of us from the lowest to the highest has within the same Divine light.

For Jewish wisdom knew that even the truth can be evil—lashon hara—if it is used to cause pain, disgrace and humiliation. Jewish ethics teach us that just because something is true, doesn't mean we must say it—it is the intention of our words that matter most.

We have lost our moral balance—from political sound-byte attack ads to Hard Copy to what passes for the nightly news—we have cheapened life itself; nothing is private, nothing is sacred.

''Death and life are in the power of the tongue.'' Remember Richard Jewell who helped save lives when the bomb went off in the Olympic Park in Atlanta? His life went from Hero to horror overnight—because we have lost the sense of boundaries, and knowing itself has become our highest value regardless of who is hurt as a result.

You probably don't remember Oliver Sipple. He was the ex-Marine who became a hero overnight by saving then President Ford's life when he grabbed the arm of Sarah Jane Moore as she pointed a gun at the President. Her aim was deflected and the bullet went astray.

Reporters came to interview him and he had only one request: ''Don't publish anything about me.'' Right! Tell that to an investigative reporter. Within days the LA Times, followed by dozens of other papers trumpeted the news that Sipple was active in gay causes in San Francisco.

A reporter in Detroit confronted his mother, who knew nothing about his homosexuality, with the news. She was stunned, and stopped speaking to her son. When she died four years later, his father informed Sipple that he wouldn't be welcome at her funeral.

Devastated, he began to drink heavily, and a few years later was found in his apartment—dead at age forty-seven. ''Death and life are in the power of the tongue.''

This is what Jewish tradition calls, Avak Lashon Hara—''The Dust of the Evil Tongue''—and it is settling all around us.

So when people asked me, ''What do I tell my kids?'' I say don't tell your kids, teach your kids.

And what can we teach our children at this New Year—even knowing that tomorrow morning hour after hour of the President's taped testimony will be broadcast over the nation's airwaves?

That the Talmud says ''You can kill a person only once, but when you humiliate him, you kill him many times over.''

This we can teach our children.

What else can we teach our children?

''If you mess up it is tempting to tell a lie, but people will usually be much more angry about the lie than the original act itself.

This we can teach our children.

What else can we teach our children?

In the end, growing up means the willingness to accept personal responsibility for our own actions.

This we can teach our children.

What else can we teach our children?

We transgress in a moment; we regret for a lifetime. Repentance and forgiveness take work and time—sometimes the work of a lifetime.

This we can teach our children.

What else can we teach our children?

It's not how many times you fall down that ultimately matters in life—it's how often you get up again that counts.

This we can teach our children.

Arrogance, jealousy, temptation are as old as time. From nearly every Biblical hero to our own lives. After all, how many of you can think of at least one episode in your life that would cause you great embarrassment were it to becomes known to everyone else here?

This, too we can teach our children.

And above all, don't look out there for moral heroes—to politics, or sports, musicians or actors or celebrities—You are your children's primary moral models, and you must be their moral heroes.

So teach your children respect. Teach your children restraint. Teach your children by how you talk and the jokes you do or don't tell; the snickering or respectful tone of your voice, the dignity you extend to others.

Teach your children that the highest value isn't always truth—it may in fact be kindness.

One cold evening during the Holiday Season, a little boy about six or seven was standing out in front of a store window in New York City. The little boy had no shoes to speak of and his clothes were nothing more than rags.

A young woman passing by saw the little boy and the condition he was in, so she took him by the hand and led him into the store. She bought him some shoes and warm clothes and told him she hoped he'd have a better holiday season now.

The little boy looked up at her and asked, ''Are you God, Ma'am?'' She laughed and replied, ''No son, I guess I'm just one of God's children.''

And as the little boy turned to walk away, he smiled and said, ''I knew you had to be some relation.'' That's who we really are.

It's Rosh Hashana, and a new year lies ahead. A New Year filled with infinite possibilities for change and growth, forgiveness and kindness and love.

So teach your children the wisdom of Rabbi Nahman of Bratzlov who said, ''If you are not going to be any better tomorrow than you are today, than what need have you for tomorrow?''

TRIBUTE TO MARION BARRY, JR.

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. THOMPSON. Mr. Speaker, I stand here before you today to pay tribute to a man who has given 40 years of unwavering and committed public service, Mayor Marion Barry, Jr. This year marks the end of an unprecedented public service career which includes four terms as Mayor of Washington, D.C. Born a sharecropper's son in Itta Bena, Mississippi, Marion Barry has truly risen and triumphed over many obstacles in his life. He will take a well-deserved rest this year from an astonishing public service record. However, he will always be remembered as a mover, shaker and innovator in the hearts of the people of Washington, D.C.

Mayor Barry's launch into public service was spirited by his long term commitment to the civil rights movement. In 1960, Mayor Barry and a group of concerned students from throughout the United States formed the Student Non-Violent Coordination Committee (SNCC) in order to take a moral stand against the forces of prejudice and segregation in the south. SNCC chose Marion as its first national chairman, and he moved to the District of Columbia in 1965 as their director and the rest is history.

In 1971, Mayor Barry was elected to the D.C. Board of Education and served as Board President for three years. In 1974, he was elected to hold an at-large-city council seat on the city's first elected council after more than a century of non representations. As a member of the council, he chaired the Committee on Finance and Revenue which gave him a deep understanding for the first needs of his city. In 1978, against two strong opponents and with unshakable enthusiasm, he was elected Mayor of the District of Columbia, a seat to which he was elected Mayor of the District of Columbia, a seat to which he was overwhelmingly returned twice more throughout the 1980's.

As Mayor of Washington, D.C., he was an imaginative and visionary leader who accomplished many things. Among them was the institution of a jobs program for city youth which became a nationwide model and lead to the founding of the Mayor Barry, Jr. Youth Leadership Institute. He also developed housing for low to moderate income families, established day care centers for government employees with children, and encouraged the advancement of business throughout the city.

Mr. Speaker, there is a series of planned events across Washington, D.C. to pay tribute to Mayor Barry, the Mayor, the Man, the Legend. I am proud to be a part of this effort and I wish him the best in his future endeavors.

HONORING HEISI FIGUEROA, WINNER OF THE NATIONAL BUSINESS PLAN COMPETITION

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. KENNEDY of Massachusetts. Mr. Speaker, I rise today to commend a young lady from my congressional district who has made the State of Massachusetts proud. Heisi Figueroa of Chelsea, Massachusetts, has proven herself to be an astute entrepreneur at the age of 18.

Heisi founded Heisi's Framing Design when she realized it was difficult to find frames that were personalized for special occasions. Utilizing the entrepreneurial skills she acquired at Camp Start-Up to launch the business, Heisi's objectives are to ''provide customers with personalized frames, matting the pictures and to gain a loyal 'customer base.'" She hopes eventually to extend her reach throughout Boston through newspaper ads and the distribution of fliers at grocery stores, malls, laundromats, schools and churches in the neighborhood. Born in El Salvador, Heisi moved to the United States when she was eight. Her first entrepreneurial adventures included babysitting and acting as an Avon representative.

I wish her success and congratulate her on this impressive accomplishment.

USEFUL RECOMMENDATIONS ON NORTH KOREA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. HAMILTON. Mr. Speaker, a few days ago members of an independent task force sponsored by the Council on Foreign Relations and created to examine U.S. policy toward the Korean peninsula wrote to President Clinton about the deteriorating situation on the peninsula.

The task force members pointed out that the 1994 Agreed Framework with North Korea is a necessary but not sufficient component of a U.S. policy designed to enhance stability on the peninsula. Task force members offered the President a number of recommendations, with a view to ensuring the long term viability of U.S. policies toward the peninsula.

Mr. Speaker, I believe that Members will profit by reading the recommendations of the task force. Accordingly, I ask leave to reprint the task force's letter to President Clinton in the CONGRESSIONAL RECORD.

COUNCIL ON FOREIGN RELATIONS,
Washington, DC, October 7, 1998.

Hon. BILL CLINTON,
President of the United States of America,
The White House, Washington, DC.

DEAR MR. PRESIDENT. We are members of an independent task force sponsored by the Council on Foreign Relations to examine U.S. policy toward the Korean Peninsula. In this letter we write from our deep concern about the sustainability of U.S. policy after the discovery of what may be an underground nuclear facility in North Korea. At the very least, this development contradicts the American people's expectations of North Korea under the 1994 Agreed Framework. At worst, it represents an outright violation of the accord and a continuing determination by the DPRK to develop nuclear weapons that would threaten the entire region. The credibility of existing arrangements with Pyongyang has been further undermined by the August 31 launch of a North Korean ballistic missile over Japan, even assuming it was just a missile to launch a satellite. Thus far, negotiations aimed at clarifying North Korean adherence to the Agreed Framework have yielded little. Meanwhile, the U.S. Congress is close to eliminating funding for the Korean Peninsula Energy Development Organization (KEDO), which also could lead to a collapse of the Agreed Framework.

In our opinion, the Agreed Framework is a necessary—but not sufficient—component of a policy designed to enhance stability on the peninsula. Unless and until it is proven that North is violating the accord, it should remain a centerpiece of U.S. policy. Although the Agreed Framework does not, in itself, address the larger threat represented by North Korean terrorism, missiles, conventional weapons, and weapons of mass destruction (WMD), we recognize that these issues will be more difficult to address if we unilaterally dismantle the Agreed Framework and attempt to start over from square one. We also recognize that any unilateral U.S. move that precipitates the collapse of the Agreed Framework would seriously complicate our relations with Seoul and Tokyo. Moreover, we note that an end to the Agreed Framework would allow North Korea to accelerate any nuclear weapons program by utilizing the facilities at Yongbyon, which are now effectively capped by the bilateral agreement.

However, in view of the deteriorating situation, we urge you to consider the following steps:

1. Order a careful examination of current U.S. policy, in light of new circumstances, to include: our interpretations of North Korean intentions; the effectiveness of our coordination with allies; our long-term policy objectives; integration of our disparate negotiating instruments with Pyongyang into a more comprehensive approach; and a consideration of our posture, should the North Korean nuclear effort remain active or the Agreed Framework collapse. This examination should be completed within 60 days.

2. As part of the examination, it is essential to clarify North Korean intentions with regard to the suspect underground facility and adherence to the Agreed Framework. Future funding for KEDO, in our view, should therefore be conditioned on: North Korean clarification of the underground facility and any other suspect sites, with full inspections as required; completion of all canning of the fuel rods at Yongbyon; and a firm deadline for completion of both requirements, set sometime before delivery of FY 99 Heavy Fuel Oil is completed in October 1999.

3. Appoint a senior person (or persons) from outside government to lead this examination of U.S. policy. This person should have the stature necessary to establish bipartisan support in the Congress and to work closely with our South Korean and Japanese allies on a common approach. This senior person should convey directly to those at the center of power in Pyongyang the seriousness with which the United States views recent North Korean actions and should test North Korean actions and should test North Korean willingness to engage in more constructive approaches to our long-standing confrontation.

4. If North Korean adherence to the Agreed Framework is credibly reaffirmed, then the re-examination of longterm U.S. policy on the peninsula should also consider a decision to eliminate on a case by case basis those trade sanctions on North Korea implemented under the Trading with the Enemy Act. This step would complement Seoul's approach to the North, which is designed to expose North Korea to external forces for gradual change by allowing a limited degree of private cultural and economic interaction with the North. It must be emphasized, however, that such moves are unthinkable without Pyongang's clarification of its adherence to the Agreed Framework, and that failure on North Korea's part to do so will lead eventually to a collapse of the accord in any case.

In sum, we believe: (a) that the actions of North Korea and mounting opposition to the Agreed Framework could lead quickly to a new crisis; (b) that recent developments require a re-examination of our approach to North Korea; (c) that the Agreed Framework shall remain the cornerstone of building a new relationship with North Korea only if North Korea can provide access to demonstrate that it is not pursuing a nuclear weapons capability.

We believe the gravity of the situation requires no less than these steps, and that the longterm viability of U.S. policy toward the peninsula will be put at risk by short-term fixes designed only to obtain funding for the Agreed Framework.

Respectfully,

Morton Abramowitz, James Laney, Richard L. Armitage, Daniel E. Bob, Jerome A. Cohen, James Delaney, William Drennan, L. Gordon Flake, Micael J. Green, Donald P. Gregg, Morton H. Halperin, Frank S. Jannuzi, Richard Kessler, Robert A. Manning, Marcus Noland, Sam Nunn, Donald Oberdorfer, Kongdan Oh, James J. Przystup, Robert W. RisCassi, Jason T. Shaplen, Stephen J. Solarz, Helmut Sonnenfeldt, Nancy Bernkopf Tucker, William Watts, Donald S. Zagoria.

A TRIBUTE TO SAFI QURESHEY

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. ROHRABACHER. Mr. Speaker, I rise to honor Safi Qureshey, an individual who exemplifies the diversity, enterprise, spiritual values and personal integrity of a newly emerging California and yes, our nation in the 21st century.

Safi immigrated to the United States from his native Pakistan. After finishing his education he went to work in the burgeoning electronics industry. Like the greats of industry who came before him, Safi was not content with the security of working for a large established corporation. Instead Safi joined with two other young immigrant entrepreneurs and started their own computer company in 1980. That company, AST Corporation, went from a garage-based operation to a multi-billion dollar world enterprise in just one decade.

Safi's business success has been heralded throughout the country. He was recognized as one of the nation's top 25 executives and has received numerous other well-deserved accolades for his entrepreneurial achievements. While Safi is justifiably proud of the acclaim he has won as a businessman, those of us who know him understand he is most proud of his community activities and other more spiritually based contributions.

Safi Qureshey is committed to a high quality of education, from grade school through the university level. He is personally involved in programs aimed at opening new educational opportunities through communications technology and children's programming in his native Pakistan. In his adopted homeland, Safi has supported business and technology programs in universities and colleges across the country.

Safi is admired for his generosity and many accomplishments, but he is the first to give credit to his faith in Allah. Safi is, first and foremost, a devout Muslim. He has been a tremendous inspiration to young Muslims and has brought together believers in God from many faiths. His deeply held convictions and respect for the religious rights of others is example of a new Americanism that rests on the foundations of individual freedom and traditional values yet is being practiced by proud citizenry as richly diverse as the world itself.

This year Safi is being presented the Muslim Achievement Award. Safi Qureshey thus represents faith and freedom in America, the best of our country.

HONORING MS. WYNEL PARKER

HON. DANNY K. DAVIS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. DAVIS of Illinois. Mr. Speaker, I take this opportunity to pay tribute to one of those unsung heroes or sheroes who go through life consistently giving of themselves without the glare of television or newspaper headlines. Such has been the life of Ms. Wynel Parker, a resident of the West Garfield Park Community in Chicago. Ms. Parker could be characterized as what some would call a busybody, because she was always busy doing things in her community, doing things for friends and family and doing things for humanity.

For many years, Ms. Parker was a staff person for the City of Chicago's Department of Human Services where she became an expert. If you had a problem or need, if you needed information, call Wynel Parker, if you needed to help somebody, call Wynel Parker.

Ms. Parker was politically astute and politically involved, she was a precinct worker and during her heyday she was not only formidable, she was virtually unbeatable. She did her work and did it well.

Finally, the Good Lord had a need, another soul was needed and the call went out to Wynel Parker. You have worked hard, you have given of yourself, you have helped your neighbors, you have helped your friends, you have done your best, come home now my servant and be at rest.

JONES ACT EXPOSED

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. SMITH of Michigan. Mr. Speaker, there are more and more people that are becoming aware that the so called ''Jones Act'' is unfair to American producers and consumers. A Wall Street Journal editorial on the Jones Act, A Washington Tale (Oct. 5, 1998), is right on target. This 1920's law, which requires that all cargo transported from one U.S. port to another (even via a foreign port) travel on vessels built in the U.S., is protectionism at its worst.

No other mode of domestic transportation operates under such stringent rules and no law prohibits our foreign competitors from using lower cost international ships when they export to our market. Because the Jones Act fleet is so small (down from 2,500 oceangoing ships in 1945 to less than 120 today) many American businesses are unable to access deep-sea ships at any cost. Quite literally, today, the only people who can't ship to Americans are other Americans.

The sterile national security arguments (refuted so well in the Journal's editorial), are used as a bludgeon when any discussion of reforming the Jones Act arises. It seems that whenever we get close to making some headway, the siren call of ''national security'' is raised to stifle all debate. The real story of the Jones Act is that it benefits a few protected ship operators at the expense of everyone else. I have yet to discover an economist who'll defend the law. The benefits of the Jones Act are based on myth and wishful thinking. The British news journal, The Economist, in their October 3rd edition stated that the United States is ''paying dearly for the Jones Act'' which has ''pushed freight rates to between twice and four times what they would be under free trade.'' (Pg. 14, Survey of World Trade)

Mr. Speaker, I include as part of my remarks the editorial:

[From the Wall Street Journal, Monday, Oct. 5, 1998]

REVIEW & OUTLOOK—A WASHINGTON TALE

''Accountability'' is now being much talked about, not only as an admirable civic virtue, but as an indispensable lubricant to a functioning global economy. Without it, you get Indonesia. But the next time a foreign official is getting lectured by someone from the U.S. Treasury, let them pull out the following tale of how the American political system looks when its own accountability completely disappears.

Our story starts on Kodiak Island, Alaska. There's a fellow there named Ben Thomas who owns a logging company. Mr. Thomas would like to sell his logs in the mainland U.S., but he can't get them to market at a good price. In fact, he says that it's cheaper to send his logs to Korea than it is to send them to Olympia, Washington. Even if he wanted to pay the outrageous shipping prices, Mr. Thomas says, during good markets the ships are often not available.

Unless you're in the ship business, or have to use U.S. ships like Ben Thomas, you probably have never heard of the 78-year-old Jones Act. The beneficiaries of the ancient Jones Act like it that way. What you don't know can't hurt them.

Mr. Thomas' problem is that by law, he must use a ''Jones Act'' ship to send his logs anywhere in the U.S. The 1920 Jones Act stipulates that maritime commerce within the U.S. must be limited to U.S. flagships that are U.S. built, U.S. owned and operated and manned by U.S. crew. While Mr. Thomas can't get his logs to Olympia, Canadian lumber companies can ship their logs to the U.S. at world market prices on state-of-the-art ships. Obviously this undermines U.S. competitiveness at home.

Senator John McCain held hearings recently on the Freedom to Transport Act, a timid attempt to reform the pernicious Jones Act. The Ben Thomas story is the same for producers in many other industries—oil, agriculture, steel, coal, automobiles, to name but a few. Thanks to the Jones Act, the U.S. today has a downsized, overpriced ship-building industry, a small and aging maritime fleet—the oldest in the industrialized world—and a wildly distorted shipping network that is reminiscent of the U.S. auto industry before Japanese competition; the customer comes last.

Midwestern farmers are screaming about grain sitting on the ground because of a ship shortage and pig farmers in the South are instead buying their grain from Canada. Shipping as a share of the transportation industry is sharply down. The nation's railways are backed up and the highway system is unable to absorb the fallout.

The Freedom to Transport Act is hardly radical. It would leave in place most of Jones's protection, but its main provision allows those ships over 1,000 tons, carrying bulk cargo, to be built outside the U.S. This may seem a small matter, but the U.S. needs cheap ships before it can have competitive shipping. Forget about foreign competition; as it stands now, the domestic shipping industry has enormous barriers to entry for potential domestic entrants because of the high price of ships.

According to the U.S. Maritime Administration, the U.S. has only 120 self-propelled vessels over 1,000 tons; this is down from 2,500 at the end of World War II. During the Gulf War, President Bush had to suspend the Jones Act to move petroleum supplies. Yet ironically, national security has been the main rationale for maintaining the Jones Act.

U.S.-built commercial ships are so outrageously expensive that shipping companies have practically ceased ordering them. Rather than order high priced deep-water ships, many U.S. companies have taken instead to using integrated tug barges, a sorry replacement for real ships.

Opponents of the new legislation claim that Jones Act shipbuilders help spread the base of military ship-building costs, but the facts suggest the opposite. Rob Quartel, a former U.S. Maritime Commissioner and president of the Jones Act Reform Coalition, cites military builder Newport News Shipyards. Its futile attempt to get back into the commercial ship-building business in 1994 ended with cost overruns and a $330 million loss. It has since abandoned the commercial market.

What's clear is that Jones is not about national security; it's about Congressional security. What counts in Washington is that the shipping industry provides politicians with steady, lucrative cash flow.

According to a 1995 International Trade Commission study dealing with only ocean-borne cargo and the potential gains from removing the U.S. build requirement. ''The economy-wide effect of removing the Jones Act is a U.S. economic welfare gain of approximately $2.8 billion.'' Of course open competition would eat into the profits of the protected interests. Federal Election Commission records suggest that those profits make their way, in part, back to the pockets of the Jones Act's political protectors. With no accountability, it's like a political annuity.

The Journal of Commerce has reported that FEC records show that in the 18 months leading up to the 1996 elections, ''seven maritime unions with about 45,000 members gave nearly $1.8 million to congressional candidates.'' Mr. Quartel says that in 1994, three of the top 10 political action committee givers were maritime related. This explains why, even through the evidence demonstrates the destructiveness of Jones, Congress has never had the stomach to dismantle this antique law.

Senator McCain has vowed to hold more hearings, but with the maritime lobby spreading so much money around Washington, he's swimming against the tide. Senator Trent Lott—from the ship- and barge-building state of Mississippi—has testified against the pending legislation.

There is a cautionary tale here for our politics. Words like ''shipping'' and ''the Jones Act'' don't get the political juices running. Which is to say that when the press or any other agent of accountability loses interest in a subject, this is what rent-seeking politicians and competition-averse commercial interests will do with it. These are the real fat cats, and right now they're simply getting fatter.

I have called on the House Transportation Committee to hold hearings on my bills (H.R. 1991 and H.R. 4236) to reform the Jones Act. It is my hope that the next Congress will seriously consider this important issue.

TRIBUTE TO SGT. BLANCA ZOILA BURNLEY, U.S. MARINE CORPS

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BATEMAN. Mr. Speaker, I rise today to recognize an exceptional non-commissioned officer of the United States Marines, Sergeant Blanca Z. Burnley. On December 13, 1998, Sergeant Burnley completes a highly successful tour as the Marine Corps' Liaison Non-Commissioned Officer to this body for the past two-and-a-half years. It is a true pleasure for me to recognize a few of her many outstanding achievements.

A native of Mexico, and later naturalized in Los Angeles, California, Sergeant Burnley became dedicated to the service of this country. She entered basic training for the Marine Corps at Parris Island, South Carolina on October 20, 1990 as Recruit Valadez, following her graduation from Alexander Hamilton High School in Los Angeles, California.

Upon completion of basic training, then Private Valadez attended the Basic Administration Course at Camp Johnson, North Carolina, where she was promoted to Private First Class before reporting for duty with the First Marine Aircraft Wing in Okinawa, Japan on May 7, 1991. In 1st MAW's Wing Personnel Office, Blanca served successively as an Orders Clerk and was selected to participate in Ulchi Focus Lens in Osan, Korea. Upon returning from Korea, Blanca was meritoriously promoted to Lance Corporal on September 2, 1991.

After serving a year on Okinawa, on May of 1992, Lance Corporal Valadez reported to the Commanding Officer, Headquarters and Service Battalion, Camp Smith, Hawaii and was assigned to the Personnel Office as the only Separations Clerk. Within 3 months of her arrival, Lance Corporal Valadez was selected to stand before a Meritorious Corporal Board along with other Lance Corporals of her battalion-she was chosen to be meritoriously promoted to Corporal on August 2, 1997. Two years later, Corporal Valadez was promoted to Sergeant.

After 2½ years of serving with H&S Bn in Camp Smith, Hawaii, Sergeant Valadez was transferred to H & S Bn in Quantico, VA. She was attached to Headquarters company and served as the Company Clerk. During this tour, she handled the training and education as well as the administrative duties that kept the company mission-ready. Sergeant Valadez was also able to attend the Sergeants' Course where she graduated on September 21, 1995.

Sergeant Valadez was called for duty as the Marine Corps' Liaison Non-Commissioned Officer here at the Capitol in April of 1996. Soon thereafter she was married to Thurman H. Burnley II. She became well known on Capitol Hill as Sergeant Burnley, and has been instrumental in providing this Congress and its predecessor with a working knowledge of the Marine Corps. Most importantly Mr. Speaker, Sergeant Burnley has come to epitomize those qualities that we as a nation have come to expect from Marines—absolutely impeccable integrity, moral character and professionalism.

Sergeant Burnley's personal awards include the Navy Commendation Medal and the Navy Achievement Medal. Mr. Speaker, Blanca Zoila Burnley has served this nation with distinction in war and in peace for the last eight years. As she reaches the end of her military career, I call upon my colleagues from both sides of the aisle to wish her, her loving husband Thurman, and their proud son Alexander Scott every success as well as fair winds and following seas.

TRIBUTE TO JOSEPH P. KENNEDY, II, MEMBER OF CONGRESS

SPEECH OF

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 12, 1998

Mr. LAFALCE. Mr. Speaker, the Kennedys of Massachusetts have served their country—from the White House to the state house—with distinction and a sense of tradition and honor.

As a Member of the House of Representatives, JOSEPH P. KENNEDY II, has served his nation, his constituents and his family with the same vigor demonstrated by his father and his uncles, John and TED KENNEDY. While other Members of his family will continue the Kennedy legacy of public service, JOE KENNEDY's decision to leave the House will be a very real loss for the House and, in particular, the Committee on Banking and Financial Services.

Those of us who have served on the Banking Committee with JOE will miss him for many reasons. We'll miss his personal presence, his energy and warmth, the way he enters meetings and personally greets each colleague and staffer with his legendary broad grin.

More importantly, the Committee will miss his passion. Throughout his Congressional career, JOE KENNEDY rarely missed an opportunity to direct the attention of the Committee toward issues affecting people not represented by the traditional Washington lobbyist. Low-income housing, community reinvestment, consumer protections are just a few of the issues JOE KENNEDY championed during the twelve years he represented Massachusett's Eighth District.

We know JOE KENNEDY will never fully leave the public service arena for it is just not in his nature to do so. He simply has a new mission—to seek different ways to serve the underserved and to accept greater responsibility for the affairs of his extended family.

In closing, Mr. Speaker, the House and the Banking Committee will not easily replace someone like JOE KENNEDY, but his contributions to the work of the United States Congress and the people of this country will remain. As JOE embarks on another path through life's journey, I wish him every success and happiness.

JOE, best wishes for all you have yet to accomplish.

DISCOVERY CREEK CHILDREN'S MUSEUM OF WASHINGTON GRAND OPENING AT GLEN ECHO PARK

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mrs. MORELLA. Mr. Speaker, I rise today to celebrate the expansion of the Discovery Creek Children's Museum of Washington to a very special cultural and natural site, Glen Echo Park. Discovery Creek is known as a ''living laboratory for science, history, and arts exploration.'' This organization has offered creative and original environmental education programming for children, schools, and families since 1994. The grand opening ceremony will be held on October 17, 1998.

I welcome Discovery Creek to Glen Echo Park. I am pleased to note that the environmental features of Discovery Creek will complement the dynamic programming of arts and humanities education, public dance, and cultural festivals that have flourished at the Park for years. More than 100 years ago, this gorgeous location was chosen as an assembly site for the national Chautauqua movement. This movement focused on education, culture, science, and the humanities. Discovery Creek's environmental education components continue this notable tradition.

The expansion of Discovery Creek's programming and exhibits will provide additional opportunities for science, history, and art exploration to thousands of children and families each year. A major focus of the exciting growth in the educational initiatives will be the exposure of inner-city children to the joy and discovery of Glen Echo Park's natural environment.

Historically, the Glen Echo site has also served a crucial environmental role. A priority for Glen Echo Park has been the protection of the Potomac Palisades. This preservation function compliments the new environmental education initiatives of Discovery Creek, which will encourage respect for the Park and its rich natural resources.

Glen Echo Park is a true gem of the Washington metropolitan region. The beauty and magic of this special place play a crucial role in the cultural life of our area residents. I have no doubt that Discovery Creek will have an immediate success as a partner with Glen Echo Park. Mr. Speaker, congratulations to Discovery Creek on their exciting expansion!

PERSONAL EXPLANATION

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. DEUTSCH. Mr. Speaker, I was unavoidably absent from the chamber on October 12, 1998, during rollcall vote Nos. 521, 522, and 523. Had I been present, I would have voted ''yea'' on rollcall vote No. 521, ''nay'' on rollcall vote No. 522, and ''no'' on rollcall vote No. 523.

TRIBUTE TO THE TOWN OF ATHERTON

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. ESHOO. Mr. Speaker, I rise to honor the Town of Atherton in San Mateo County, California as it celebrates its 75th Anniversary.

The Town, incorporated in 1923, was named after Faxon Atherton and his daughter-in-law, writer Gertrude Atherton. Faxon Atherton's home, Valparaiso, was built in the 1860s and was among the first of the great estates in San Mateo County. The Town grew as these properties were subdivided and Atherton is now home to some of the best and brightest minds in San Mateo County and the Silicon Valley. From this quiet bedroom community, the leaders of the economic engine that has driven California, emerge daily to fuel further growth.

Atherton is an educated, civic-minded community. Its residents are known for their leadership, serving on boards and civic organizations whose work is felt throughout the Bay Area and California. Atherton is also known for the philanthropic endeavors of its residents who give most generously of their resources to assist those issues that are near and dear to their hearts.

In the midst of wooded surroundings, Atherton boasts some of the finest educational institutions. Sacred Heart Preparatory, the Menlo School and Menlo College make their home in Atherton. The student population at the Town's eleven schools surpasses the number of residents. These schools are active in the community and educate the next generation of community leaders and Atherton residents.

The Town government is mindful of preserving a country atmosphere as urban growth continues in San Mateo County. The Town's General Plan specifically states that Atherton desires ''to preserve its character as a scenic, rural, thickly wooded residential area, with abundant open space and with streets designed primarily as scenic routes rather than for speed of travel.''

With its quiet tree lined streets and beautiful homes, Atherton is one of the jewels in the crown of the 14th Congressional District, a place I'm proud to call my home. I ask my colleagues to join me in celebrating the 75th Anniversary of the incorporation of the Town of Atherton and commend its residents for their extraordinary achievements and contributions to our community and our country.

HONORING REVEREND W.D. BROADWAY

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BRADY of Texas. Mr. Speaker, soon a remarkable man of faith will bid farewell after 13 years as CEO and executive director of INTERFAITH of The Woodlands, Texas. Our nation should take proud note of the inspiring life and the immeasurable contributions of the Rev. W.D. Broadway.

A graduate of Schreiner Institute in Kerrville, Texas, Reverend Broadway earned a bachelor of arts degree from the University of Corpus Christi followed by bachelor and master of Divinity degrees from Southwestern Baptist Theological Seminary in Fort Worth, Texas.

After school Reverend Broadway was guided to the Texas communities of Rockport, Lancaster, Portland and The Woodlands, where in each he served as pastor of the Southern Baptist Church. With him were his most treasured blessings—wife Hugh Delle Manahan, daughter Jerene and son Mike.

It was through his extraordinary leadership of INTERFAITH of The Woodlands that I proudly became one of his many friends and admirers. Although no one word can hope to illustrate this bountiful life to date, on reflection Reverend W.D. Broadway is, above all, a builder:

A builder of spirit. In men and women, young and old alike, through the World of the Lord. As powerful and compelling in person as in the pulpit, Reverend Broadway frequently provided a crucial moral compass by smiling and announcing ''I feel a sermon coming on * * *.''

A builder of houses of worship. Under Reverend Broadway's stewardship fourteen building programs were launched in the churches he ministered. His hands and heart have been directed to serve as the fund raising consultant for another 67 churches—Methodist, Baptist, Nazarene and Presbyterian. Think a moment about that: What a remarkable seed Rev. Broadway has sown throughout this land, to so exalt the Lord by helping others attain their vision of constructing much-needed houses of faith.

He is a builder of hope. This I know first hand. During the terrible Texas economic recession during the late 1980's, many families found themselves without jobs, without a means to feed their children or to meet their mortgage payments. In some disheartening instances, both parents suddenly found themselves without work, shattering years of hard earned hopes and dreams.

Reverend Broadway and I worked together back then to create the Interfaith Training & Employment Project to help laid off workers find new jobs—to help them develop new skills and survive the emotional toll of financial uncertainty. Thankfully, the Private Industry Council of the Houston-Galveston Area Council supported the effort.

Since 1987, under this astute and caring leadership, ITEP has helped 24,112 people find new jobs and new hope. It has become one of the most successful job training partnerships in Texas. And it is due to the strength and vision of W.D. Broadway.

He is a builder of the community. When Reverend Broadway was named 1995 Citizen-of-the-Year for South Montgomery County, chamber of commerce Chairman Mike Karlins noted ''of the churches, community groups and residents listed in INTERFAITH's annual directory, few have not benefitted from his encouragement, compassion and service to our community. He and his army of volunteers have welcomed thousands to our community, watching over our children as we work, helping families get through tough situations, providing assistance in finding jobs and enriching the lives of our senior citizens.''

Mr. Karlins also observed that Rev. Broadway ''is happiest and at his best when facing the challenges of planting and nurturing the seeds of our religious infrastructure.'' In times of crisis, ''his ability to marshall community resources was never more apparent than in the days following the devastating flood of the past year.''

''Above all, he loves this community and those in it. As a result, we are all better for it.''

Soon Rev. Broadway will walk out the door of his INTERFAITH office for the last time to begin a well-earned retirement. To his friends and co-workers it seems unthinkable: a day at INTERFAITH without the kind eyes and broad smile that distinguish the ruddy countenance of ''W.D.''

His wife of 47 years, Hugh Delle, remembers a long time neighbor in The Woodlands who once commented, ''W.D., you have INTERFAITH in your head.'' Rev. Broadway quickly replied, ''I like to think I have it in my heart.''

Humble and at heart a servant of the Lord, W.D. will surely be embarrassed by this tribute—even more so if all of his amazing accomplishments, service to the community and national professional leadership positions were identified. In total or in part, his contributions are testament to a life dedicated to living the Gospel and forging the good works of the Lord here on earth.

Reverend W.D. Broadway is truly a builder—of love, inspiration, grace and compassion. As a community and as a nation, we are better for it.

THE ECONOMIC DEVELOPMENT ADMINISTRATION AND LONG BEACH—A TRUE PARTNERSHIP FOR PROGRESS

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. HORN. Mr. Speaker, I am a resident of the city of Long Beach, CA. In 1974, then Mayor Wade asked a number of us to form an Economic Development Corporation in order to turn the city around.

The Economic Development Administration [EDA] provided an original grant of $750,000 in the 1970's which was leveraged into a title IX grant of $7.65 million.

This amount was later leveraged into more than $200 million in private funding for the large urban renewal program which changed the face of downtown Long Beach in the 1970's and 1980's. The result was new hotels, new businesses, a major world trade center, an expanded convention facility.

EDA's help meant jobs.

EDA funds also contributed to roadway improvements to allow further renewal of the downtown and shoreline areas of Long Beach.

In the words of City Manager James Hankla and Jerry Miller, deputy city manager, the EDA has been the most responsive agency in the Federal Government in helping Long Beach address the impact of three major base closings through the Defense adjustment program.

EDA provided half of the funding—$6 million—for the parking facilities critical to one of Long Beach's premier attractions, the recently opened Aquarium of the Pacific. This project has been a cornerstone of the city's recovery

plan following the closing of three major Navy facilities in the 1990's—naval hospital, naval station, and naval shipyard. With the loss of the Navy, thousands of jobs were lost. Beginning in March 1988, and the end of the cold war, 400,000 jobs in aerospace were lost in Los Angeles County alone. With 450,000 residents, Long Beach is the second largest city in the county.

EDA has also provided $3 million to help establish the California State University, Long Beach Research Park on land formerly belonging to the Long Beach Naval Station. So the newer technologies will grow in place of the old thanks to the EDA which agreed with the community's vision.

EDA has helped provide funding to perform feasibility studies of bridges as part of the Alameda Corridor Transportation Project. That is the major intermodal in the Nation.

The Economic Development Administration is a proven vehicle to bring together Federal and local government, small and large business, so that the end result is a better community which provides opportunities for residents and visitors alike. EDA means a better future.

CONGRATULATING ALLISON BECKWITH

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. DUNN. Mr. Speaker, I would like to take this opportunity to congratulate Allison Beckwith for her winning entry in the National Business Plan Competition. Ms. Beckwith, who hails from Redmond, Washington, is one of five young women whose business plan was selected by women business owners to receive this distinguished award. She will be recognized at the Women's Economic Summit during the Young Entrepreneur Awards luncheon on Thursday, October 15.

Mr. Speaker, I am extremely proud of Ms. Beckwith and her achievement. In her business plan, Ms. Beckwith envisions an online ''catazine'' (catalog and magazine combined) venture through which teenagers can buy merchandise and read articles written by other teenagers. This entrepreneurial spirit is one of the reasons why women are starting businesses at twice the rate of men and are a powerful and growing economic force in the global marketplace.

I also applaud Independent Means, Inc., sponsor of the National Business Plan Competition, for giving young teenage women the opportunity to turn their dreams of starting a business into reality. By engaging girls in entrepreneurship with female role models and placing an emphasis on the importance of economic self-sufficiency, Independent Means helps thousands of young girls become independent women.

When girls are given the tools and information they need to make informed decisions, they will act responsibly. I believe that we must continue to invest in teaching and inspiring young women in America—for they are our future.

On behalf of the Eighth Congressional District in Washington State, I again congratulate Ms. Beckwith for her outstanding accomplishment and wish her much success in her future pursuits.

SIKH HUMAN RIGHTS ACTIVIST CALLS PUNJAB A POLICE STATE (PEOPLE'S COMMISSION MUST BE SUPPORTED)

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BURTON of Indiana. Mr. Speaker, many of us have spoken out over the years about the ongoing human-rights violations by the Indian government in Punjab. I have recently come into possession of a very interesting document on that subject. Thanks to Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, I have seen a letter written by Professor Jagmohan Singh, General Secretary of the Akali Dal (Amritsar), in which he declares that Punjab is still a police state, even under the Akali-BJP government of Chief Minister Badal.

''Human rights abuse in Punjab in the last decade and a half has shattered the lives of a number of individuals and their families,'' Professor Singh wrote. ''Effectively, Punjab has been administered as a police state,'' he added. ''No fresh legal or political initiative has been taken to reinforce rule of law and protect the most endangered primary fundamental right—the right to life.''

Jagmohan Singh writes that five false cases are still pending against longtime Sikh activist Simranjit Singh Mann, a political opponent of the Badal government. His is just one prominent case among many. Tens of thousands of Sikhs remain in Indian jails; with no charges pending against them. Alarmingly, some of them have been rotting in jail since 1984! Human-rights activist Jaswant Singh Khalra, who exposed the Indian government's brutal policy of mass cremations of Sikhs, was killed in custody by the police, according to a police witness. Jaspal Singh Dhillon, another prominent human-rights activist, was picked up by the police on a false charge as recently as July of this year. And if that wasn't enough, the police even picked up his attorney! Mr. Speaker, the judicial system in Punjab is a joke, no one is given an ounce of justice.

Jagmohan Singh points out that no action has been taken to punish the police who have committed these atrocities against the Sikhs. In fact, the Badal government even boasts that it has taken no action against these police officers. More than 150 atrocities have been documented since the Akali government took power in Punjab in February of 1997.

Professor Singh cites 15 separate ways in which human rights are violated in Punjab. Mr. Speaker, allow me to list just a few of these horrible and inhumane acts that police commit upon the innocent people of Punjab. Professor Singh has included, among other despicable acts, the promotion of police officers based upon the number of Sikh youth they have killed; bounties offered for the murder of particular individual Sikhs; forces occupation of public places, including houses of worship, like the Golden Temple in Amritsar; extrajudicial killings of political workers, relatives of political leaders and activists; and the planting of illegal weapons and explosives on unsuspecting people who are then labeled as ''militants'' or ''terrorists.''

Jagmohan Singh strongly defends the work of the People's Commission in exposing the tyranny of the Punjab police, and supports its continuation. The Commission has come under vigorous attack from the Punjab government, which is desperately trying to interfere in its mission and close it down. The Commission issued 90 citations against police officers and has taken on 3,000 more cases. Now the government has gone to court to stop the People's Commission. I agree with Professor Singh that the Commission's work must continue so that police atrocities can be exposed, and will cease to be covered up by India's political sponsors.

Mr. Speaker, Professor Jagmohan Singh's letter is a chilling description of the ongoing police state in Punjab. I am placing it into the RECORD, and I recommend to my colleagues that they read it carefully.

JAGMOHAN SINGH, GENERAL SECRETARY, SHIROMANI AKALI DAL (AMRITSAR),

Rahon Road, Ludhiana, September 24, 1998.

Rtd. Justice V. K. KHANNA,

Chairperson, Panjab State Human Rights Commission, Kendriya Sadan, Sector 9A, Chandigarh.

DEAR JUSTICE KHANNA: Is Panjab still a police state?

Human rights abuse in Panjab in the last decade and a half has shattered the lives of a number of individuals and their families. Effectively, Panjab has been administered as a police state. The situation did not change even after the election of Beant Singh's Congress government in 1992 and diminution of alleged extremist activities. The people of Panjab expected that the political and human rights environment would change with the election of the Akali Dal Badal-BJP government in February 1997.

Panjab, however, continues to be a police state. The Panjabis now realize that all along they were chasing a mirage. For the last 18 months, the Badal-BJP government has taken no steps to undo the wrongs perpetuated during the last decade. No fresh legal or political initiative has been taken to reinforce rule of law and protect the most endangered primary fundamental right—the right to life.

Let us examine the scenario in present day Panjab:

1. Release of Detenues: No political detenue, including those who have been languishing for more than 8–10 years without trial or protracted trial, has been released from the jails of Panjab. Their cases have not been reviewed. No attempt has been made to bring back detenues from Panjab languishing in the jails of Rajasthan, Delhi, Madhya Pradesh, Maharashtra and Gujarat. There are five false cases still pending against party president, Simranjit Singh Mann.

2. Trial of Police Officers: No attempt has been made to expedite the trial of police and other security force personnel against whom cases of human rights abuse are pending in various courts, including cases in the Panjab and Haryana Court and the Supreme Court. Actually, the prosecution has been delayed under one pretext or the other.

3. Speedy Trial of the Guilty: To ensure speedy trial, it was necessary to constitute a Tribunal with instructions to conduct day to day proceedings to try the guilty police officers, bureaucrats and politicians responsible for executing and directing crimes against humanity. Despite the poll promise to do so, the present government has failed to take any initiative in this direction.

4. Suspension or Dismissal of Police Officers: No police officer or bureaucrat, at various levels in the hierarchy, responsible for formulating policies and strategies for harassment, torture, illegal detention and extrajudicial murder of Sikh youth, in total violation of rule of law, has been suspended or dismissed by the state government. No enquiry has been constituted to expose and identify the conspiracy of the police, the high-ranking bureaucrats and the politicians in Delhi. No step has been taken in the case of the involuntary disappearance of human rights activist Jaswant Singh Khalra. The report of the police inquiry in the extrajudicial murder of former Jathedar of Sri Akal Takht Sahib, Bhai Gurdev Singh Kaunke has not been released. Human rights and political activists have documented the involuntary disappearance of Jathedar Kaonke at the hands of the then Senior Superintendent of Police of Jagraon police district and his officers in January 1993. No attempt has been made to order enquiries about gross abuses in all districts of Panjab to unearth cases as have been detected in the ''cremation of unclaimed bodies case'' in Amritsar district.

5. Unlawful Promotion of Police Officers: A large number of police officers, who had been promoted on the basis of the number of Sikh youth killed by them, have not been reverted to their original positions or ranks. To rub salt on our wounds, police officers like SSP lqbal Singh, who has a consistent track record of lawlessness and maltreatment has been recommended for the President's medal for his 'meritorious' service. We cannot forget that it was SSP lqbal Singh, then posted in Tarn Taran, who sent a police team which tortured and extrajudicially murdered Kashmir Singh of village Pandori Rukman of district Hoshiarpur on March 14–15, 1997. Kashmir Singh was propaganda secretary of the Youth Wing of our party. Many such officers have been awarded medals for their genocidal role. On the other hand, responsible police officers, who have refused to participate in the genocide of the Sikhs, are still not on active duty.

6. ''Head Count'' of the Sikhs and Rewards From the State Exchequer: Hundreds of Sikhs have been killed and hundreds of policemen have become rich with the 'head prizes'. With this unlawful enrichment, police personnel have acquired movable and immovable properties. The Panjab State Human Rights Commission should carry out a detailed enquiry into the Comptroller and Auditor General's Report of the last 15 years and prepare a report on the 'head prizes'. It will also be befitting to find out the issuance of any more secret orders or circulars, as the one issued by the then Director General of Police, K.P.S. Gill on 30 August 1989 to the senior police officers ordering the liquidation of 53 alleged militants with price money against each name.

7. Impoundment of Illegal Properties of Police Officers: A survey of all the illegal properties acquired by police personnel is a prerequisite for peace in Panjab. This research will unearth properties not only bought but also those which were ''just taken over''. Such properties and moneys should be deposited with the state exchequer. Ill-gotten wealth has fuelled disrespect for human rights and further desensitized the police.

8. Police Districts and ''Peace'' in Panjab: Police districts (Khanna, Jagraon, Majitha, Tarn Taran, Batala and Barnala) were created on the ground that the law and order situation require a small command area. However, although the senior police authorities and the Badal-BJP government claim that ''peace has descended on Panjab'', the police districts have not been dismantled. De facto, the police administration has become so top heavy that senior police officers, including Senior Superintendents of Police of various districts and the Director General of Police, Mr. P.C. Dogra ingratiate a pliable section of the media in Panjab, without fear of their political masters in Panjab and in active connivance with their political masters in Delhi, to perpetuate the hegemony of the police in Panjab. The state government or the Panjab State Human Rights Commission has failed to monitor the contradictory claims of the Panjab police chief. The State Commission should procure data regarding the cost of the exchequer of these police districts and recommend the winding of the same.

9. Occupation of Public Places by Police Administration: A large number of public places, including parks, private houses, in villages and cities, have been forcibly occupied and converted into police stations, police posts and torture centers. In spite of public protests, the Badal-BJP government has failed to direct the police authorities to vacate these places.

10. Extrajudicial Acts of the Police: In the last 18 months, a number of political workers, relatives of political leaders and activists, (Kashmir Singh of Shiromani Akali Dal (Amritsar), Vijayinder Singh- a nephew of party leader Simranjit Singh Mann, Avtar Singh Karimpuri, General Secretary of Bahujan Samaj Party), human rights activists (Jaspal Singh Dhillon) witnesses in human rights abuse cases (Rajiv Randhawa, Kirpal Singh) and a multitude of alleged militants, have been tortured, harassed, detained or extrajudicially killed by the police. Families of slain militants continue to face the vengeance of the police. Even in cases not related to militants, there has been a spurt in deaths in police custody. No attempt has been made by the Badal government to dignify the police and to train them to respect human rights.

11. ''Confiscation'' of Explosives: The Director General of Police has ''confiscated'' tons of explosive material. Apart from the news-story that such material was recovered from ''such and such militant'' or ''former militant'', the DGP has failed to inform the people of Panjab about the ineffectiveness of the police and other security agencies when the material was brought inside Panjab (that is, if we believe the police version to be correct). Is it inertia or is it a well planned conspiracy to allow the monster to grow and then make a big fuss to catch it?

We strongly suspect that the movement of arms, ammunition and explosives in Panjab is a new strategy of the pervert masterminds of the Panjab police-Home Ministry nexus. We cannot forget that journalist Dhiren Bhagat of the Indian Post was killed by Indian security agencies, in 1993, soon after he had documented the illegal and unlawful movement of arms and ammunition by the Indian state through its secret services.

We are closely monitoring the progress made by the police in recovering the huge arsenal of arms and ammunition ostensibly recovered from militants and now missing from police records and stores. According to a communication from the Additional Director General of Police (Crime), Mr. Jarnail Singh Chahal (as mentioned in internal memos to all district SSPs in Panjab in September 1997) as many as 10,451 weapons comprising AK47s, AK57s, rifles, revolvers, pistols, rocket launchers, rockets are missing. There is no iota of doubt that they have either been distributed as bounties to the pet vigilantes of the Panjab police or to the Congress leaders of Panjab. To make matters worse, a large number of such arms have been given to untrained ''special police officers'' to provide security cover to a large number of people for whom such security is not a requirement but a status symbol.

The Panjab State Human Rights Commission must study the records of the Firearm Bureau at Phillaur and the police stores (Malkhanas) of police stations in the Panjab.

We request the Panjab State Human Rights Commission to prepare a compilation of the total amount of explosives seized by the Panjab police in the last one year and inform the people about the disposal of the same, lest it be used to implicate more innocent youth of Panjab.

12. Extension of Services of Panjab Police Chief. We strongly urge the Commission to look into the reasons cited by the state government while granting extension to the Director General of Police, Mr. Puran Chand Dogra, six months ago. The Commission must also look into the reasons for the state government to recommend the case of DGP Mr. Dogra (bypassing the rules laid down by the Central Administrative Tribunal) for another extension of six months. Media reports say that the government has sought the extension ''to combat terrorism in Panjab''. This investigation alone by the State Human Rights Commission will be enough to know whether ''Panjab is still a police state'' and whether ''peace has descended on Panjab''.

13. Human Rights Defenders in Danger: Defending human rights is a dangerous activity in all banana republics or near-banana republics. Panjab has been governed as such. It is not for the first time; even during his earlier tenure as chief minister, Mr. Parkash Singh Badal resorted to extrajudicial methods to crush opposition in the state. Today, either under pressure or in complicity with the police, human rights defenders are behind bars. Those still working continue to face the wrath of the state in one form or the other.

14. Why Forgive and Forget? Human rights include civil and political rights. Therefore politics and human rights are related to each other. Mr. Parkash Singh Badal, 18 months ago, had promised to the people of Panjab to investigate the causes and factors; and identify the individuals and the political parties responsible for the tragedies in Panjab and to pinpoint the administrative and political accountability for the same. Nothing has been done so far. The present signature tune is ''Forgive and Forget''. This was the tune of the Congress and the BJP against which the traditional Akali leadership instigated hundreds upon thousands of Sikh youth to revolt! Panjab and its people have forgiven enough and forgotten a lot. Today is the time to prosecute each one of the alleged perpetrators—executive, police and political—for crimes against humanity.

15. The Only Incomplete Positive Step: The only positive step take by the present government is the formation of the Panjab State Human Rights Commission. Unfortunately no changes have been made in the powers and authority of the commission. The commission can investigate only those cases that fall within the last one year. So, the commission, according to the current mandate, cannot redress the fears, grievances and genuine complaints of families of victims of the last decade and a half.

FROM POLICE STATE TO PEOPLE'S COMMISSION . . .

In this frightening police state scenario, what should the people do? The people have come together and formed a People's Commission that will listen to their woes and deliberate upon the merits of each case of violation of human rights in the Panjab, irrespective of the time lag. The Commission has been formed at the initiative of dedicated human rights and political activists under the aegis of the ''Committee for Coordination on Disappearances in Panjab.'' This Commission comprises of Retd. Chief

Justice D. S. Tewatia, Retd. Justice H. Suresh and Retd. Justice Jaspal Singh. After the first session of the commission at Chandigarh on 8–9–10 August 1998, the affected families see a glimmer of hope. The People's Commission is the people's response to the non-fulfillment of election promises by the present government at the state level and the incapability of the ruling coalition at the Centre to rectify the wrongs of yesteryears. If people can form governments surely they can form commissions as well; can they not?

Now, the Congress, the BJP and the Police (the trinity responsible for gross human rights abuse in the Panjab through acts of omission and commission) are pressurizing the Badal government to wind up the People's Commission, calling it ''illegal'' and ''harbinger of disturbance'' and other names.

We appeal to the Panjab State Human Rights Commission, to advise the state government, not to stoke the fires that are lying buried. Though we contest the ''quality of peace'' that has ''descended on the Panjab'', any attempt by the state ''not to let people cry for their beloveds'' will boomerang. The endorsement of the Panjab State Human Rights Commission of the work of the People's Commission will go a long way to enhance respect for human rights and to smother the politically motivated propaganda against this humble attempt by the people to assuage the hurt of victims and their families. This certainly is part of the moral mandate of any human rights body, more so of a state-sponsored Human Rights Commission.

Moreover the labour of the People's Commission will not go in vain. The report of the People's Commission will not meet the same fate of hundreds of Commissions set up by the Indian state under the Commissions of Enquiry Act. It will perhaps be useful for the Human Rights Commission to conduct a statistical analysis of the total number of Commissions of enquiry instituted by the state and those whose recommendations have been accepted.

The focus of the work of the People's Commission is also not at loggerheads with the working of the judiciary as is being propagated by the wanton statements of the Panjab Advocate General, Congress and BJP leaders and the Panjab police chief. Their consternation is more about the uncovering of truth about their shameful deeds. Those opposing the People's Commission will do well to remember that before the official Srikrishna Commission was setup to pinpoint the responsibility for the riots in Bombay in 1992–93, a People's Commission was set up by an independent body, The Indian Peoples Human Rights Commission. Justice S.M. Daud and Justice H. Suresh made an extensive enquiry and submitted a report on the role of the government and the police in the rioting in Bombay. The report was first published in August 1993. The evidence collected by that People's Commission made the task of witnesses much easier when they deposed before the official Srikrishna Commission.

It may also be noted that the panel of judges on the Indian People's Human Rights Tribunal have conducted enquiries into the firing in Arwal in Bihar in 1987, the burning of 646 huts of tribals in Vishakapatnam district by the Andhra Pradesh government in 1988, the role of the Provincial Armed Constabulary in the riots in Meerut in 1988, the role of the Karnataka government in anti-Tamil riots and the role of the Tamil Nadu government in anti-Kannadiga riots in 1992.

At the international level, the journey for trial of guilty officers, bureaucrats and political leaders responsible for crimes against humanity, which started with the Nuremberg trials has fructified this year in the formation of an International Criminal Court.

The Panjab State Human Rights Commission and the National Human Rights Commission will do well to train the Indian police, paramilitary and military forces to recognize the harsh reality that sooner or later nemesis will catch up. Transparency and not secrecy is the watchword. ''Reasons of state'', ''demoralization of the police forces'' and ''amendments to the Criminal Procedure code to make it difficult to prosecute police officers'', ''orders of superiors'', ''ignorance of law, especially international and humanitarian law'' will not be adequate to protect either the protagonists or the perpetrators of human rights abuse.

We are concerned that no serious effort has been made by the government of Panjab or the Commission to popularize the commission and its work among the people of Panjab. No public sitting of the commission has taken place since its formation. The people of Panjab are eager to know the number of cases in which suo moto action has been taken by the Commission. We look forward to the first annual report of the Panjab State Human Rights Commission and we anxiously wait to see how it nails down the state government and the police machinery. Should the commission require details on the above points, we shall gladly furnish them.

We appeal to you and through you also to the overindulgent Advocate General of Panjab, Mr. Gurdarshan Singh Grewal, to advise the present State government in Panjab whether it wants to join the sanguineous trinity of the Police-Congress-BJP or to find a respectable place in contemporary history, particularly in a year, when the international community, inspite of India's abstention, has formed the International Criminal Court to try individual cases of gross human rights abuse.

(Prof.) JAGMOHAN SINGH,
General Secretary.

TRIBUTE TO RETIRING CONGRESSMAN DELLUMS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. OWENS. Mr. Speaker, RON DELLUMS, a great member of the House of Representatives, and a great member of the Congressional Black Caucus retired last February. On several occasions I spoke enthusiastically of my great admiration for Congressman DELLUMS; however, I was absent on the day tributes to my esteemed colleague were made on the floor of the House. Today, for the RECORD, I would like to summarize my tribute to a friend, a mentor and a great role model.

RON DELLUMS is a man defined by magnificent contradictions. he is the activist who took a great risk when he joined the establishment; but he won the bet that he could never be corrupted. He is the peacemaker who rose to the position of Chairman of the powerful war-making Armed Services Committee.

RON DELLUMS was and is a steady keeper of a broad and integrated vision of this complex world. He is a tribune broadcasting a consistent, universal message. Throughout his long career in the Congress he remained loyal to certain fundamental principles advocating peace with justice—and his order of priorities never became confused. Despite his world view, his philosophical and intellectual loftiness and his intensity concerning administrative excellence, RON remained first and foremost a descendant of Frederic Douglass, first and foremost an African American with an abiding dedication to his people.

When the oppressed Blacks three thousand miles away in South Africa needed a champion, RON DELLUMS was there with his parliamentary skills managing a difficult controversial resolution through the House. The effort was greatly enhanced by this oratorical eloquence and the fact that he had already accepted jail and arrest to promote his position. In a historic moment on the floor of the House, which has not yet been accorded its appropriate recognition, the Dellums South African sanctions resolution passed and set in motion a process which doomed the evil of apartheid. Nelson Mandela was later set free and a new South Africa nation was born.

Although he was the Chairman of the Armed Services Committee in 1993 when the call came for direct action to return democracy to Haiti, RON DELLUMS was again on the front lines accepting arrest and jail to promote a policy of sanctions against an oppressive regime.

To promote justice and a better utilization of our national resources throughout the world RON led the drive to reallocate the military budget. He continued to support the Congressional Black Caucus alternative Caring Majority Budget. His concerns for full employment and job training as well as a more generous and sustained investment in education never waiver while he executed his duties as Armed Services Committee Chairman.

Today, the portrait of RONALD V. DELLUMS in the National Security Committee Hearing Room speaks symbolic volumes about the magnificent contradictions of this Renaissance Man. This great room of the warriors, with forbidding portraits all around, many with a background including some weapon of destruction, is transformed by the Dellums portrait which makes a complete and almost perfect statement. From this powerful portrait the sunshine of peace and hope triumphantly invades the war room. This masterpiece leaves the bright shining signature and spirit of a conquering hero: RONALD V. DELLUMS.

HONORING THE PINK RIBBONS PROJECT

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BENTSEN. Mr. Speaker, I rise to recognize the tremendous contribution that the Pink Ribbons Project is making in the battle against breast cancer.

Every October, we celebrate Breast Cancer Awareness Month to highlight the efforts by medical providers, community organizations, and businesses to ensure all women have access to the breast cancer screening and treatment they need. It is particularly gratifying to acknowledge the efforts of the Pink Ribbons Project, Dancers in Motion for Breast Cancer, whose generosity is helping to achieve this goal and save lives.

The Pink Ribbons Project was conceived and created in New York City in May 1995 by

four artists whose lives were personally touched by breast cancer. One of these dancers is Jane Weiner, the sister of Susan Rafte, a Houstonian who is a survivor of metastatic breast cancer.

I believe that Susan's story is important for all women to understand. In 1992, at age 30, Susan discovered a lump during self-examination, but her doctor did not believe it could be cancer for such a young, healthy patient. In 1994, Susan was diagnosed with metastatic breast cancer. She opted for a bilateral mastectomy and reconstructive surgery. Regrettably, her battle was not over. In 1996, she discovered that her cancer had spread to her spine and she opted to undergo a new bone marrow transplant procedure. Under this procedure, patients undergo extensive chemotherapy and radiation treatment to kill the cancer cells. As a result of these treatments, many patients lose their bone marrow and are susceptible to infections. In order to protect against infections, patients donate healthy bone marrow prior to their radiation and chemotherapy treatments and then transplant their analogous bone marrow after undergoing treatments. Susan's treatment has been a success and today she is fighting to ensure healthier futures for all women with her family, husband Alan Rafte, also a cancer survivor, and her 4-year-old daughter Marika as a special inspiration. In particular, Susan wants to encourage other women to be aggressive about their health and get second opinions when they are not satisfied with diagnoses and treatments.

The Pink Ribbons Project is the first dance initiative to join the fight against breast cancer. In 1996, the dance was introduced in Los Angeles. This year, these Pink Ribbons dancers will create a dance benefit called Hot Pink Houston to be performed at the Cullen Theater on November 12, 1998 in Houston. These dancers donate their time, service and talents to help raise funds for breast cancer advocacy, education and research.

With their first performance, the Pink Ribbons Project raised more than $10,000 that was donated to the National Alliance for Breast Cancer Organizations (NABCO). NABCO used these funds to send 10 women with metastatic breast cancer to Washington, D.C., where they testified before the Federal Drug Administration, the Federal agency responsible for reviewing drug treatments and therapies. Their testimonies helped three new drugs win approval for treatment use.

I congratulate all involved in this vital project, including the Houston Ballet, Chrysalis, the Weave Dance Company, Sarah Irwin, Fly, Robin Staff, Hope Stone, Shake Russell, and Dana Cooper, who are all donating their talents for the Houston show. It is my hope that the Hot Pink Houston event will encourage more in our community to join the fight against breast cancer.

The value of the Hot Pink Houston program cannot be overstated. One in eight women can expect to develop breast cancer during her lifetime, and one in 28 women will die from it. Every 15 minutes, a woman dies from breast cancer. During this decade, it is estimated that more than 1.8 million women, and 12,000 men, will be diagnosed with breast cancer. Nearly half a million will die of this disease. Such statistics can be numbing, but they are all too real to those of us whose families have been affected by breast cancer.

But the saddest fact of all is that so many of these deaths are preventable. With the exception of skin cancer, breast cancer is the most survivable of cancers and when detected in its earlier stages, it has a 95 percent survival rate. So it is vital that women conduct regular breast self-examinations and obtain regular mammograms.

Because of the tremendous generosity of Pink Ribbon dancers, more women will learn about breast cancer and how we can work together to save lives.

EDUCATION

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. PACKARD. Mr. Speaker, I would like to voice my outrage for President Clinton's veto record with regards to the education of our nation's children.

Over the past Congress, President Clinton has vetoed 7 major Republican education initiatives. That's seven times the President chose politics over our children. I truly believe the key to our children's future is the education they receive. Nothing can be of more importance to our families, our communities and our country than the quality of education in America. Apparently President Clinton does not see it this way.

Despite the President's heavy veto pen, the Republican's have been able to enact legislation which will benefit this nation's education system. We now have the lowest student loan interest rate in 17 years and have enacted a tax deduction for student loans. We also passed a Head Start reauthorization, providing for more funding to help states meet the needs of students with disabilities.

Mr. Speaker, the President's decision to play politics with our children's education and future is a bad choice. The fact is, it doesn't take a bureaucrat from Washington to tell us how to teach our children when parents have always and will always know best. We need to keep Washington out of our schools and ensure that parents and teachers are able to make their own decisions about how they want their children taught. I would like to commend my Republican colleagues for the hard work this Congress has done for our children's future.

TRIBUTE TO JOSEPH P. KENNEDY, II, MEMBER OF CONGRESS

SPEECH OF

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 12, 1998

Mr. NEAL of Massachusetts. Mr. Speaker, I would like to take a few moments today to pay a special tribute to a colleague of mine who at the end of this legislative session will be retiring after a long and distinguished career from the United States House of Representatives.

Congressman JOSEPH P. KENNEDY, II, a native son of Massachusetts and the eldest son of Ethel and the late Robert F. Kennedy, will soon be returning to our great State to, along with other pursuits, run Citizens' Energy Corporation, the low-income assistance program he founded in the early 1980's. Before he departs, I would like to take a few moments today to honor his accomplishments here in the House and to tell you more about the man I regard as my friend.

JOE KENNEDY roots for the underdog and leaves behind in Washington a long track record of standing on the side of people who don't view government as an intrusion, but instead, as a means for achieving justice and dignity in life.

Whether working to assist the homeless, children, the poor, the elderly or the disabled, JOE KENNEDY has always brought a special earnestness and passion to his work. As a result, his legislative achievements on the Banking Committee and in the House have been many, and the impact of his charitable and meaningful work will continue to be felt for years to come.

Since 1986, his constituents in the 8th District of Massachusetts have known of Congressman JOE KENNEDY's dedication. They, like those of us who work with him regularly, also know of the many endearing qualities he brings to the table.

JOE KENNEDY is a remarkably kind man, and it is his heart, not political polls or newspaper headlines, that is the compass that guides him in here in Washington. Congressman JOSEPH P. KENNEDY, II has continued the great legacy of his father and his uncle, and it is his heart and his commitment to what is right and just that people from Massachusetts and across the Nation will miss most.

I would like to take this opportunity to thank JOE KENNEDY, my friend, for his many years of hard work in the United States Congress. I wish JOE and his wife Beth all the best on the road that rises to meet them in the years that lie ahead.

CLARITIN AND SPECIAL INTEREST LOBBYING

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. WAXMAN. Mr. Speaker, as all of my colleagues know, this is the time of year when special interests come out in force to take advantage of our busy schedule. They try to slip last-minute riders into conference reports and sneak lucrative patent extensions into crucial appropriations bills. If history is any guide, a number of pharmaceutical companies are at the very head of this unsavory pack.

You may recall that, in the dead of night, someone smuggled a drug patent extension into the conference report of the 1997 Kennedy-Kassebaum Health Care Reform Act. Neither Senator KENNEDY nor Senator Kassebaum were informed of this corporate giveaway. Only public protest prevented the drug company from scoring a multimillion dollar coup at the expense of consumers.

It is the widespread rumors about a similar effort that have brought me here. I want to alert my colleagues to the efforts of Schering-Plough to sneak a backdoor patent extension onto the continuing resolution.

For many years, Schering has sought to extend its patent protections for Claritin, a prescription antihistamine with over $900 million

in annual U.S. sales. Last year, Schering lobbied the Senate for an amendment to omnibus patent reform legislation granting outright five-year patent term extensions for a number of drugs, including Claritin. In 1996, Schering tried unsuccessfully to attach Claritin patent extensions to the omnibus appropriations bill, the continuing resolution and the agriculture appropriations bill. In the first half of that year alone, Schering spent over $1 million in lobbying the Congress.

Schering's proposal is a terrible deal for consumers. It would require the Patent Office to adjudicate patent extensions for drug companies who have experienced regulatory delays at FDA. In reality, it is a backdoor opportunity for companies to undercut the scientific judgment of the FDA and its expert advisory committees.

What Schering calls ''regulatory delay'' is the time needed by our public health agencies to ensure drug safety and efficacy. Often, a company will cause its own delays through miscalculations, complications in its research and new questions about its products. Schering claims that the approval of Claritin was subject to regulatory delay. The company never mentions that its delay resulted from the unexpected discovery that Claritin might cause cancer.

Mr. Speaker, putting the Patent Office in the position of trying to second guess the FDA and its expert advisors on Claritin's possible carcinogenicity would be like having the IRS deciding which research proposals should be funded by NIH.

This proposal would also burden the Patent Office with meritless cases like Claritin. The Patent Office has limited resources and crucial responsibilities. It does not have time to coddle companies like Schering when patents for breakthrough technology are awaiting approval.

Even worse, this proposal would cost taxpayers millions of dollars in additional health care spending for Medicaid, Veterans health programs, the Defense Department and Public and Indian Health Services. Private insurers and HMOs will have to pay higher prices for drugs like Claritin. And ordinary consumers, especially older Americans, will have to pay much more out of pocket for their medicines.

Let me make a final point about this proposal. I am the coauthor of the 1984 Waxman-Hatch Act. The Act grants patent extensions to drug companies for the patent time expended obtaining FDA approval. One of the points of the 1984 Act was to stop companies like Schering from lobbying Congress for patent extensions. It has been very successful, with the exception of rogue companies like Schering.

In fact, I seriously doubt that Schering has told anyone that it already received a 2-year patent extension under this law. The company just wants another pass at the trough.

Lobbying efforts like Schering's are bad for the consumer. They also do harm to the 1984 Act, which strikes a balance between promoting innovation and ensuring that consumers have timely access to affordable medicines. Senator HATCH and I have publicly emphasized that revisions to the 1984 Act be made in a careful, deliberative process to preserve that balance. Dropping the Schering proposal onto the CR without notice, without committee proceedings, and without publicity is the exact opposite of what we meant.

For these reasons, I urge my colleagues to oppose Schering-Plough's proposal, wherever it should appear in these final days of the session. It would cost taxpayers millions, hurt consumer choice, distract the Patent Office, undercut the FDA and do violence to the need for committees of jurisdiction to deliberate carefully over these important issues.

TRIBUTE TO THE LIFE OF JAMES FLETCHER

HON. DANNY K. DAVIS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. DAVIS of Illinois. Mr. Speaker, it is with exceeding regret that I advise my colleagues of the death of a great American and one of the most socially conscious bankers in Chicago.

A former Chicago public schools teacher and a 1960's city planner with a focus on urban renewal, James Fletcher with three other extraordinary individuals established America's first community development bank—in 1973. Soon after, Mr. Fletcher became president and chief executive officer of South Shore Bank in 1983. He served on that post until 1994 and was elected chairman of the bank in 1996.

With the logic of a philosopher, the passion of a preacher, and the precision of a banker he helped redevelop communities who have long been forgotten by all of the major banks in Chicago. Indeed, in the hands of James Fletcher, community development was a creative act. With his foresight, community development is an encounter between socially conscious bankers and private investment. Slowly, step by step, they proved that a strong, independent banking presence in the neighborhood could help get a community back on its feet again.

Beyond his many professional accomplishments, James Fletcher was one of those rare and wonderful individuals who relished being a mentor, role model and always a generous father. We cherish his memory as his work touched the lives of whole communities: men, women and youth alike. Mr. Speaker, I commend to the United States House of Representatives and to the American people the life and service of James Fletcher.

CHINA: A POTEMKIN ECONOMY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. SOLOMON. Mr. Speaker, in 1787, Prince Grigory Potemkin, Catherine the Great's longtime prime minister and occasional lover, decided that the recently-annexed Crimea needed a little fixing up in preparation for an official visit by the empress. He is said to have erected a number of false-front buildings along Catherine's travel route so as to create the appearance of a happy and thriving peasant society. Thus was born the legend of the ''Potemkin village.''

Today, autocratic regimes have more resources at their disposal than Potemkin ever dreamed of. In fact, it can fairly be said that the Chinese communists have managed to build a ''Potemkin economy''—an entire national economy that has the surface appearance of being dynamic and prosperous when, in truth, the real situation is something very different. The present-day equivalent of Potemkin's false-front villages are the empty skyscrapers that loom over every large Chinese city.

The September 30 edition of the Washington Post contains a compelling article by Michael Kelly that looks behind China's imposing economic facade and finds an altogether different story than is usually reported. ''The central question of the most consequential of all American foreign policy issues is whether the People's Republic of China is evolving, under the munificent influence of capitalism, away from communist totalitarianism and toward democracy.'' If the answer given to that question is yes, then that ''answer, it is now authoritatively revealed, is dead wrong—and so is America's China policy.''

Mr. Kelly based his article on a new book China's Pitfall, that was published in Hong Kong last year. This book, which has not yet been translated into English, is the subject of an extensive review by two China scholars in the current edition of The New York Review of Books. That review concludes with these words: ''What happened in China in the 1990's is thus becoming clear. Reform was aborted when Deng Xiaoping strangled China's democratic forces in 1989 and when . . . he decided in 1992 to buy stability for his regime by pursuing rapid economic growth whose price was sharply increased corruption, financial deception, and the erosion of the moral basis of society.''

Corruption. Deception. Erosion. Hardly the foundation on which a stable economy, to say nothing of a decent society, can be built. Indeed, the author of China's Pitfall, He Qinglian, identifies five negative trends that are tearing at the fabric of Chinese life: ''population size, agricultural stagnation, inequality, corruption, and low standards in education.'' Ironically, the author reports, each of these problems is as bad or worse today as it was a century ago, when the Qing Dynasty was distintegrating and the entire country was plunging headlong toward revolution.

How then to explain China's ''rapid economic growth'' in recent years? This is, after all, an economy that expanded at an annual rate of 10 to 12% in the years from 1981 through 1996.

According to He Qingian, economic growth in the 1980's was largely based in rural China. As the communist command system in the agricultural sector was dismantled and rural communes were abandoned, the productivity of farms shot up and many farmers and villagers also established light industries and other entrepreneurial ventures. Agriculture and rural industry account for about three-fifths of China's gross domestic product, and so progress in these areas was bound to be reflected in the country's overall performance.

By the end of the 1980's, however, the rural economy was stumbling: ''the immediate gains from freeing agriculture could not be continued'' and ''extortion, overtaxation, and embezzlement by local officials'' were taking their toll. Moreover, the effects of ''decades of environmental devastation and neglect'' began to be felt. China has lost one-third of its topsoil

and arable land in the last 40 years. When floods come, as they did this year, rural areas bear the brunt because the government deliberately blows up small dams and dikes, inundating farmlands, so as to spare the cities.

Small wonder then that an estimated 120 million people—twice the population of France—have migrated from rural China into the cities since the late-1980's. And small wonder that Deng Xiaoping decided that he needed a new strategy, especially in the wake of the 1989 Tiananmen Square massacre and unrest in the interior provinces.

China's economic growth in the 1990's has been essentially an urban phenomenon, with many city-dwellers registering visible gains in personal income. Urban free enterprise employs only three percent of the Chinese people but accounts for about one-tenth of China's gross domestic product. Predictably, enterprises that employ cheap labor to make consumer products for export have proved to be the most profitable.

But the real story of Deng Xiaoping's post-1989 ''reforms'' has been missed by the Western media. He Qinglian puts the truth in stark terms: Deng's so-called reforms are really a ''marketization of power''—''a process in which power-holders and their hangers-on plundered public wealth. The primary target of their plunder was state property that had been accumulated from forty years of the people's sweat, and their primary means of plunder was political power.''

China's Pitfall describes in detail how China's economy in the 1990's has been fueled by plunder, a process in which wealth hasn't so much been created as it has been transferred. The plunder has taken place two ways.

First, party and government officials manipulate the state-controlled sector of the Chinese economy, which represents about one-third of gross domestic product and includes all of the important industries, commodities, and essential services. A two-track pricing system has been put in place by which unscrupulous officials buy raw materials and industrial products at a government-controlled price and then turn around and sell them on the open market for a much higher market-dictated price.

The ''huge illicit profits'' that result from this maneuver get plowed into speculation in securities and real estate; they also provide the grease whereby officials allow foreign investors to evade having to deal with market costs when they set up joint ventures and other enterprises in China. Many of the more powerful officials in China also use these profits to establish so-called ''tertiary industries'' in which favored friends and relatives ''take control of the most productive section of a state enterprise . . . in order to run it as a semi-independent company.'' In other words, for a minimal investment they get the benefit of state protection while cashing in at market prices.

The second means of plunder is even more brazen. All banks in China are state-controlled, and they serve as veritable cash cows for state-controlled industries. He Qinglian estimates that $240 billion—nearly half of all personal savings that have accumulated in China since the 1950's—have been transferred, as emergency loans, from banks to state-controlled industries.

There is little or not hope of recovering these ''loans.'' China's banking sector is verging on bankruptcy by any objective measures, with a huge burden of nonperforming loans that is overwhelming a shrinking capital base—a base that is shrinking all the more now that the equity value of most state enterprises (one-third of the economy, remember) has been reduced to zero and corrupt officials have discovered how to circumvent the restrictions against sending hard currency overseas.

The net result of all this is a society in which zai, the Chinese equivalent for ''rip off'' has become pervasive, in both attitude and practice. According to The New York Review of Books, ''Probably in no other society today has economic good faith been compromised to the extent it has in China. Contracts are not kept; debts are ignored, whether between individuals or between state enterprises; individuals, families, and sometimes whole towns have gotten rich on deceitful schemes.

''He Qinglian sees the overall situation as unprecedented. 'The championing of money,' she writes, 'has never before reached the point of holding all moral rules in such contempt.' She finds the collapse of ethics—not growth of the economy—to be the most dramatic change in China during the Deng Xiaoping era. The challenge facing China is not just 'survival' . . . but 'how to avoid living in an utterly valueless condition.' She does not hold out much hope.''

Nor do I. The danger signs are already appearing. The growth in average personal income has fallen sharply since 1996, and for millions of Chinese—in both urban and rural areas—personal income has actually declined. By the end of 1998, an estimated 22 million employees will have been laid off from the state-run sector of the economy, and millions more are subject to late payment, partial payment, or even nonpayment of their wages.

The outflow of capital, which during the 1980's amounted to a level of about half of what was coming into China as foreign investment, has equaled or exceeded net foreign investment since 1992. Meanwhile, an estimated inventory of $360 billion worth of consumer goods has piled up—unsold and, for increasing numbers of people, unaffordable. China's much-congratulated decision not to devalue the yuan is not as impressive, upon close examination, as it first appeared to be to distant observers. For the Chinese communist regime, currency control is an instrument of political control. But even that may have to change now that China's export performance is slowing down.

Organized crime, a substantial problem in the Chinese economy for decades, is getting much worse, and He Qinglian's book traces the emergence of a de facto ''government-underworld alliance'' that is serving to merge the legitimate economy with the underground economy controlled by the mafioso ''triads.'' Progress toward the development of a civil society, to say nothing of the rule of law, is being severely retarded, and the country is increasingly plagued by ''drug trafficking, smuggling, sale of human beings, counterfeiting, prostitution, and pornography.''

The true nature of the Chinese economy was brought home to me with startling clarity this past August when I had occasion to visit the Shanghai Stock Exchange. Far from being some kind of citadel of capitalism, it was actually a good example of so-called ''virtual reality.'' Red-vested operatives were essentially there to sit around at the desks, because all the action is done through electronic transactions. When I was there, I saw various ''traders'' sleeping, reading newspapers, and wandering around talking to friends. But the real scorcher was to learn that the building which houses the stock exchange is owned by Wang Jun and Polytechnologies. Wang Jun is a notorious, internationally-known arms merchant whose military-backed conglomerate, Polytechnologies, supplies weapons of mass destruction to terrorist states and was caught red-handed smuggling AK–47 machine guns into California in the spring of 1996, barely three months after Wang had been feted at a White House tea party. Months later, with the 1996 election out of the way, a Washington Post reporter asked about Wang's White House visit and was given what would come to be an oft-repeated, one-size-fits-all response: ''clearly inappropriate.''

Mr. Speaker, I began these remarks by suggesting that China has become a ''Potemkin economy,'' a national economy whose growth and stability under its present management will be no more sustainable in the long run than Prince Potemkin's false-front villages were a lasting solution to economic problems in the Crimea. Potemkin's villages may have fooled some people 200 years ago, but there is no excuse for our being fooled today about what is really happening in China.

In my considered judgment, U.S. policy toward China for the past twenty years has been one long exercise in wishful thinking. I have never ceased to marvel at how many otherwise reasonable people, from both parties and all points on the philosophical spectrum, manage to suspend their critical faculties whenever China is the focus of debate or decision-making. The notion that China is emerging as some kind of 21st century economic colossus is just plain bunk.

A more apt analysis might be to draw a comparison with Argentina in the early decades of this century or Iran in the 1960's and '70's. One hundred years ago, more than a few commentators were predicting the ''Argentine Century.'' Well, it never happened. And the principal architects of U.S. policy toward China, Richard Nixon and Henry Kissinger thought Iran was a safe bet. too.

China has built what appears to be an imposing economic edifice, but it stands on a foundation of sand. Sustained economic growth and stability in the modern age require a foundation of comprehensive institutional modernity, legitimacy, and transparency—and even these come with no guarantees. But China has none of it. And as the bills come due for China's peculiar brand of crony—and phony—''capitalism,'' the price will be very steep.

Mr. Speaker, I salute Michael Kelly for bringing the insightful review from The New York Review of Books to wider public attention. Liu Binyan and Perry Link, who translated He Qinglian's book, China's Pitfall, and whose review in the New York Review of Books provided the source, unless otherwise noted, for the facts and quotations in my remarks, are also to be thanked. I ask that Michael Kelly's article from the September 30 edition of The Washington Post appear at this point in the RECORD.

[From the Washington Post, Sept. 30, 1998]

CHINA'S ROBBER BARONS

(By Michael Kelly)

The central question of the most consequential of all American foreign policy issues is whether the People's Republic of

China is evolving, under the munificent influence of capitalism, away from communist totalitarianism and toward democracy. Since reversing its China policy in 1993, the Clinton administration has bet the future that the answer to this question is yes—that Beijing is ''reforming,'' and that, therefore, Beijing must be befriended, its virtues made much of and its flaws overlooked.

That answer, it is now authoritatively revealed, is dead wrong—and so is America's China policy. This news arrives in ''China's Pitfall,'' a book by the Chinese economist He Qinglian that is not yet available in English but is reviewed in the current issue of the New York Review of Books by China scholars Liu Binyan and Perry Link, perhaps the most important article published in recent years on the China issue.

The reviewers begin by fairly stating the terms of the debate over the meaning of what took place in China during the Deng Ziaoping era of capitalist ''reform'' in the 1980s and 1990s: ''In the U.S., many business leaders, followed by the Clinton administration, aruged that Western commercial engagement with China creates not only more wealth but progress toward democracy as well. Skeptics countered that more wealth, by itself, does not necessarily cure social problems or lead to democracy.''

Who was right? Binyan and Link write: '''China's Pitfall,' the first systematic study of the social consequences of China's economic boom, vindicates the steptics so resoundingly as to force us to reconceive what 'reform' has meant.'' China's reform, argues He Qinglian, was nothing more than ''the marketization of power,'' and it has resulted not in anyting approaching a democracy ''or even a market economy in the normal sense,'' but instead has created an immensely rich and immensely corrupt kleptocracy.

What the American business community and the White House chose to see as reform was, He Qinglian writes, actually one of the great robberies of history, ''a process in which power-holders and their hangers-on plundered public wealth. The primary target of their plunder was state property that had been accumulated from 40 years of the people's sweat, and their primary means of plunder was political power.'' The butchers of Beijing were also the looters of Beijing, and it was to save their power to loot that they butchered.

The plunderers were nothing if not bold, nothing if not creative. He Qinglian chronicles quite an array of techniques by which Beijing's evil old despots—sorry, reformers—exercised the levers of the state on behalf of helping themselves to everyone else's money. One breathtakingly simple way was to periodically tap into private savings accounts. Other equally straightforward approaches included ''borrowing'' public funds for speculation in real estate and stocks, and reselling commodities purchased by the state at fixed prices at much higher prices on the private market.

The pro-Beijing camp points to Deng's 1992 call for everyone in China to go into business and get rich ''even more boldly * * * even faster'' as a milestone in China's evolution. Indeed it was He Quiglian reports: Deng's message was correctly interpreted by the power elite as a signal that the government and the party would look with a benign eye on even the most outrageous acts of the theft. In the words of Binyan and Link, this message ''led virtually every official, government office, and social group or organization in China to 'jump into the sea', and try to make money.''

''Reform'' simply served as cover for crooked schemes by which these power-holders made money by transferring the wealth of the state to themselves. Consider the denationalization of state industries, and the creation in their places of for-profit companies called ''tertiary industries.'' This was hailed as clear progress toward a free, open-market society. In fact, the state officials who oversaw the denationalization process established their children and friends as the owners of the new industries.

Perhaps all of this is true, China apologists will argue, but it is also true that China, in the process of making money, is necessarily moving away from Communist Party totalitarianism.

Yes, but not toward capitalism and not toward democracy. As Binyan and Link put it: ''The party indeed has lost some of its political power, but has lost it not to the citizens but to a new robber-baron class that now allies itself with the party in opposing the rule of law.''

This is the reality of China: a country where the primary function of the state is to preserve power so that it might preserve plunder. This is what the Clinton administration praises, and supports, and defends against all efforts to admit the truth.

HAROLD HOLT: A LIFETIME OF PUBLIC SERVICE AND CONTRIBUTIONS TO HIS COMMUNITY

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. TANNER. Mr. Speaker, for 50 years Harold Holt has been active in public service. For many more years than that, Harold Holt has positively contributed to the quality of life of his fellow citizens, not only in Dyersburg and Dyer County, but throughout West Tennessee.

Today, I want to salute a good friend and former colleague, who I served together with in the Tennessee General Assembly. An aggressive leader for his community, Harold Holt never lost a race for public office and built a respected career in banking.

His solution-oriented, consensus building style helped pave the way for the widening of U.S. 412, now a four-lane highway connecting Dyersburg and Jackson. He was known for his strong support for the best education possible for Tennessee's children and effective law enforcement in our communities.

He is rightfully proud, as we all are, of his wife, Bonnie, and their two sons, Jeff and Steve.

Printed below is a copy of a story published in the Dyersburg State Gazette titled ''A Lifetime of Concern for Others.''

A LIFETIME OF CONCERN FOR OTHERS

When Harold Holt was growing up on a farm near Finley during the Depression, he saw neighbors pitching in to help those facing hardships such as serious illness of the family bread-winner.

He never has forgotten the spirit of cooperation and helpfulness.

''Each neighbor took care of their neighbor,'' he said. ''If a family couldn't get a crop in, other neighbors would pitch in and put in the crop for them.''

''Everybody in the community was close; even though they weren't related, they were very close.''

That closeness and concern for others has made Holt perhaps the premier politician in Dyer County. He has served as county trustee, county commissioner and state representative and has never lost a political race. His son, Jeff, has followed in his public service footsteps and now is serving his second term as Dyer County sheriff.

''I've been involved in the political process since 1948,'' Holt said. ''That was my first presidential election, and I voted for Harry Truman.''

Former Dyer County Executive P.H. White said Holt is a person who can be trusted.

''Harold is a very trustworthy person in both word and deed,'' White said. ''He's always done what he thought was right, and he's very dedicated and devoted to his family.''

Longtime friend Dr. Douglas Haynes said he admires Holt's integrity—and memory.

''He's a person of absolute integrity, and he has the most fantastic memory,'' Haynes said. ''He knows a story about just about everyone in the county.''

Doug Williamson, another long-time friend, said Holt has gained respect through his honesty.

''He's a real forthright, honest person,'' Williamson said. He's just a fine man, and many people respect him for his honesty.''

Holt said he has never been tempted to seek political office on a larger stage than representing the local population.

''Dyer County is one of the greatest communities anybody could ever have the privilege of living in,'' he said. ''The people here have been so kind to me and to my family.''

He said he has been approached several times to run for Congress but never really considered it.

''I was approached a few times, but I never gave it much thought because I would have had to run against Ed Jones,'' Holt said. ''I always supported Ed Jones, and he's a good friend to this day.''

Holt's devotion to his friends and his integrity are remarkable, said Jere Bradshaw.

''Harold Holt is a true gentleman,'' Bradshaw said. ''In my opinion, he's absolutely honest, above board and considerate of other people. I've always been able to rely completely on what he says.

''I've supported him in what he does because it's always for the good of the community.''

Holt said Bradshaw's race for county clerk was the first local political race he ever got involved in.

''I probably worked harder for Jere Bradshaw's election than I ever worked for any of my own,'' he said.

Holt served in the Tennessee General Assembly, representing Crockett and Dyer counties, from 1986–91, when he decided to retire from active involvement in politics.

In the legislature, he was known as hard-working and fair.

Though it is little known in Dyer County, Holt was one of the legislature's most accomplished pranksters.

''Harold was a good representative,'' said state Rep. Frank Buck (D–Dowelltown), one of Holt's closest friends. ''He took his job very seriously, and he did a good job for Dyer County.''

Holt often played his pranks in cahoots with Buck and former state Rep. Floyd Crain (D–Ripley).

''When the scandal about funeral directors was exposed several years ago—about one or two mistreating corpses and burying trash and that sort of thing—we sent a letter purporting to be from a woman who (state Rep.) Robb Robinson (D–Nashville) had mistreated at his funeral home,'' Buck recalled. ''Robinson took it seriously and, though he didn't remember the case we made up, contacted the state funeral directors board to ask if anyone had filed a complaint against him.

''When Robinson found out it was a joke, he got pretty testy with Crain and me, but Harold wasn't there.

''When he saw Harold, he looked at him and said, 'I'm disappointed in you, because I knew those other two were common, but I expected more of you.'''

''Holt's a good guy, but he's sneaky,'' Crain said.

Josephine Binkley, who was Holt's secretary when he first went to the General Assembly, said she can still get Holt riled up by saying she is going to tell Buck something about him.

''If I want Harold ribbed about something, I know Frank Buck is the one to do it,'' she said. ''If I just mention telling something on Harold to Buck, Harold will say, 'Now, that's not necessary.'''

Binkley said Holt is fun but has another side, too.

''Harold is a fun person to be around,'' she said. ''But he can be tough if that's necessary.''

Buck said the pressure-packed life of a legislator needs to be leavened with humor.

''In the General Assembly, if you can't maintain a sense of humor, especially about yourself, you'll go crazy,'' he said. ''Harold was always able to maintain a sense of humor.''

Since retiring from the legislature, Holt has worked briefly as a lobbyist.

''I worked for Kemmons Wilson for about six weeks when we were trying to enhance and extend the logo sign bill to permit them on state highways and not just interstates,'' he said. ''I still go to Nashville pretty often to visit my friends who still are in the legislature.''

He also served a term on the state's judicial council, which looks at proposed legislation about the judicial system and makes recommendations. He was appointed to the council by former Gov. Ned McWherter.

Asked if he has any regrets about his years in the legislature, Holt thought a short while.

''I think the drainage situation at the Tigrett Wildlife Management Area could have been handled better,'' he said. ''We didn't fight hard enough to get legislation that would have given us the type of relief on Stokes Creek that I think is necessary. It needs to be restored to the original course so water can rise and recede naturally.''

Holt says he remembers the area from his childhood.

''When I was a kid there was bottomland hardwood timber there,'' he said. ''But now it's a stagnant swamp.

''If we let it return to its natural course we can restore at least part of that area to what it was when I was a kid.''

LIFELINES

FAMILY BACKGROUND

Harold Henry Holt was born Oct. 1, 1926, at Richwood in western Dyer County. His parents were Buford and Stella Yarbro Holt. His mother died of complications of childbirth, and his father moved away soon after to seek work during the Depression. Holt was raised by his grandparents. Richard and Lora Holt. ''They were 50-years-old when I was born, so they raised me more as their child than their grandchild,'' he said.

He never lived with his father, who remarried and fathered two more sons. Holt's half brother, Richard Holt, died in 1984. Another half brother, Ralph Holt, lives in Mayfield, Ky.

FAMILY MATTERS

Holt met Bonnie Bivens at a ball game, and the two married on Oct. 2, 1949. They have two sons, Jeff Holt, the current sheriff of Dyer County, and Steve Holt, supervisor of children's services in Tipton, Lauderdale and Fayette counties for the Tennessee Department of Human Services. They have two grandchildren, Steven, a sophomore at the University of Memphis and Katherine, a senior at Covington High School.

EDUCATION

Holt attended Richwood School and Dyersburg High School, graduating in 1945. He has taken courses at Dyersburg State Community College and the Southeastern School of Banking at Louisiana State University.

EMPLOYMENT

Right out of high school, Holt worked at Rhea Wholesale in Dyersburg for about 18 months. Then he worked at a hardware store for a year before becoming a deputy trustee. He held that job for six years until the trustee retired and he was elected county trustee in 1954. He served until November 1969, when he took a job with First Bank and Trust Co. as public relations director. First Bank and Trust was acquired by First Tennessee Bank in 1971, and Holt remained with the bank in public relations until 1992. ''In a small bank, you do a lot of things.'' Holt said. ''I was also a loan officer and other things. I never was janitor, but I was custodian.''

HOBBIES

Holt loves to fish and has a cabin on Kentucky Lake for about 20 years. He once was an avid hunter but has given up hunting. ''My grandfather taught me to play checkers,'' he said. ''I still like to play checkers and dominoes at the (Dyer County) Office On Aging.''

ACTIVITIES

Holt was elected to the county commission in 1970 and served until he failed to seek reelection in 1978. He was elected to the Tennessee House of Representatives in 1986 and served until he retired in 1992. He served a term on the Tennessee Judicial Council, which considers proposed legislation relating to the state's judicial system and makes recommendations. During this service in the legislature, he received awards from the State Election Commission, the Dyersburg/Dyer County Chamber of Commerce and the Dyer County Office On Aging for his legislative leadership. He served on the House Commerce, Transportation, State and Local Government and Calendar committees and was secretary of the State and Local Government Committee.

QUOTE

''My grandmother used to tell me, 'If you always tell the truth, you don't have to worry about keeping up with the tales you've told.' That's pretty good advice.''

IN HONOR OF THE HONORABLE ADDISON MCLEON

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. MENENDEZ. Mr. Speaker, I rise today to pay special tribute to former State Assemblyman Addison McLeon for his innumerable contributions and many years of honorable service to the community. Assemblyman McLeon has been an icon of African American politics in Jersey City, Hudson County and the State of New Jersey for many years.

Addison McLeon's career exemplifies his selfless dedication to the community. Addison McLeon was Hudson County's first African American to serve in the State Assembly (1966–1970). He has served as a member of the Jersey City Board of Education, the Director of Housing for the Essex County Urban League, a member of the Jersey City Branch of the National Association for the Advancement of Colored People (NAACP) and on the Jersey City Housing Authority. He is also a founder of the Civic Awareness Council, a citizen's action organization.

It is an honor to have such an exceptional gentleman working on behalf of the residents of my home state of New Jersey. I ask that my colleagues join me in recognizing the outstanding work of Addison McLeon who exemplifies community service at its best.

IN HONOR OF DR. HAROLD L. CEBRUN, SR., EDUCATOR, 30 YEARS OF SERVICE

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. SANCHEZ. Mr. Speaker, today I rise to pay tribute to Dr. Harold L. Cebrun, Sr. who has dedicated thirty years of service to education.

During his thirty year career as an educator, Dr. Cebrun has lived his life according to his personal beliefs. He once stated, ''We make a living by what we get, we make a life by what we give.'' By deed and example, Dr. Cebrun demonstrates this belief in all his actions.

Dr. Cebrun has been an active participant and leader in education, athletics and youth sports programs. As a young man Dr. Cebrun was an outstanding student athlete at Yates High School in Houston, Texas, and throughout his college career at the University of Nebraska, Lincoln.

His academic career earned him a Bachelor's Degree in Physical Education and Sociology, a Masters degree in Intergroup Education and a Doctorate in Counseling Psychology and Education Administration. He began his educational career in 1967 as a substitute teacher. He retired as the Superintendent of Schools for Compton Unified School District. During his thirty year tenure as a teacher he taught elementary, junior high school and high school. He was also a coach for basketball, baseball, and track, high school principal, and director of student services.

In July of 1997 Dr. Debrun started a new career as athletic administrator. He was selected as Assistant Commissioner of Athletics for the California Interscholastic Federation (CIF) Southern Section and, notably, is the first African-American Administrator to serve in the CIF office since the organization began in 1913.

Dr. Cebrun is a leader in the war against ignorance striving always to share his wealth of knowledge with schools, school districts, businesses and corporate executives. He is an eloquent speaker and consultant who views are sought by many organizations. His expertise in team building, team management and effective leadership has earned him the respect and admiration of peers and community leaders.

Colleagues, please join me today in paying tribute to an exceptional educator and mentor—Dr. Harold L. Cebrun, Sr.

TRIBUTE TO ESTEBAN TORRES

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. WAXMAN. Mr. Speaker, it has been an honor to serve in the House of Representatives with ESTEBAN TORRES, who is retiring as a Member of Congress after sixteen years.

ESTEBAN's legislative achievements stand out because they address the concerns of average Americans who don't have the clout in Washington to make themselves heard. When concerns were raised that the North American Free Trade Agreement (NAFTA) would degrade the quality of life on the Mexican/American border and take jobs from lower-income working Americans, ESTEBAN worked hard to find a solution. He sponsored an innovative proposal that led to the creation of the North American Development Bank (NADBank), a binational institution that provides loans to improve the environment along the border and to create jobs for Americans adversely affected by NAFTA.

ESTEBAN has long devoted himself to measures that would strengthen environmental protections. He led the fight to address the problem of groundwater pollution in the San Gabriel Basin and worked to craft a widely supported agreement to clean it up. He worked to close to toxic chemical dump in West Covina. And, he has been the champion of legislation to recycle used oil, tires, and batteries.

When he led the effort for the World Cup commemorative coin, ESTEBAN obtained an additional public benefit by ensuring that ten percent of the proceeds be set aside for scholarships for Latino students. And, when he was a member of the Banking Committee, he sponsored the Truth-In-Savings legislation that give consumers the right to information in readable language about banks' interest rates, yields, and fees.

ESTEBAN also has a strong record on international human rights. He sponsored the Cuban Humanitarian Trade Act, which recognizes the failure of U.S. policy toward Cuba and would exempt food, medicine, and medical supplies from the Cuban trade embargo.

ESTEBAN's efforts in Congress have been guided by firm principles and compassion. It has been a privilege to serve with him and I wish him and his family all the best as he begins this new phase in his life.

HAPPY 50TH ANNIVERSARY, LEONARD AND MARY KRYGIER

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BARCIA. Mr. Speaker, we have all heard of the golden rule. It has a special application in marriages. Couples who reach that very special 50th anniversary are golden. They have a sheen that surrounds them, and they have earned the admiration of everyone who has the privilege to know them. On October 23, another special couple, Leonard and Mary Krygier, will be celebrating their 50th anniversary.

Leonard and Mary Krygier came from large families that appreciated one another. Leonard has five brothers and four sisters. Mary has three brothers. They were married at St. Stanislaus Catholic Church in Bay City's South End. Their reception, an event I am told was one of the most memorable ever, was held at Michalski Hall. They have one son, Kenneth, and one grandson, Shawn.

Throughout their lives together, they worked hard, appreciating the opportunities that life offered to them. Leonard worked at General Motors for many years. He and Mary operated Krygier Flowers, a quality neighborhood florist shop, on Columbus Avenue. The friends and admirers they developed through this business grew into a bouquet of happiness that any of us would be lucky to have.

Their anniversary party will be held at the Olde Tyme Broadway Restaurant in Bay City, where just as they have so many times during their years together, they will be joined by family and friends to celebrate the love they have for one another, and the model they have created for so many of us to follow.

Mr. Speaker, it is fitting for us to pause to recognize important events worth celebrating. I urge you and all of our colleagues to join me in wishing Leonard and Mary Krygier a most joyous 50th anniversary, with many, many more to come.

TENNESSEE'S DALE CALHOUN RECEIVES NATIONAL ENDOWMENT FOR THE ARTS ''1998 NATIONAL HERITAGE FELLOWSHIP''

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. TANNER. Mr. Speaker, Dale Calhoun is a fourth generation builder. What he builds has brought him richly deserved recognition. Mr. Calhoun builds boats. They are special boats with a unique history forever tied to the legend of Reelfoot Lake. He builds them by himself and he builds them by hand.

And this week, his talents, nurtured with four generations of family experience, were recognized at the White House. Mr. Calhoun was one of 15 recipients of the National Endowment for the Arts' prestigious 1998 National Heritage Fellowship, which recognizes outstanding contributions to America's folk and traditional arts.

Along with the National Heritage Fellowship, Mr. Calhoun received $10,000.

For 52 years, Mr. Calhoun became a master builder of the famed Reelfoot Lake ''Stump Jumper'' after honing his craft with skills learned from his father, William Calhoun. His father learned the craft from Dale's grandfather, Boone Calhoun, and his great-grandfather, Joe Calhoun.

The boats are made of cypress and covered with fiberglass. Each one is nearly 16 feet long. And they are typically powered by anything from a three horse-power engine to an eight horse-power engine. The boats have become known as ''Stump Jumpers'' because they can go in 12 inches of water, or even less as long as the boat is able to float.

People as far away as California call to order these boats that are built to last for decades.

What's more, they have become part of the legend of Reelfoot Lake, the largest natural lake in Tennessee. Reelfoot Lake was created during the earthquakes of 1811 and 1812 when for a time during each of the earthquakes the Mississippi River flowed backwards and filled in what is now Reelfoot Lake.

Dale Calhoun is carrying on the tradition with his fourth-generation mastery of the craft, and he is being correctly honored with the 1998 National Heritage Fellowship.

I want to congratulate Mr. Calhoun for the skills he has honed over more than 50 years of boatmaking, his wife, and his father, grandfather and great-grandfather for all of the stories they have made possible with the thousands of ''Stump Jumpers'' they have built by hand.

Printed below is a story published in the Union City Daily Messenger with the headline: ''Reelfoot Lake boatmaker reels in $10,000 award.''

REELFOOT LAKE BOATMAKER REELS IN $10,000 AWARD

(By John Brannon)

At Calhoun Boat Works at Blue Bank, the phone sometimes rings and rings. That's because Dale Calhoun has to stop whatever it is he's doing to walk over and answer it.

Phones ring every day everywhere. No need to get in a hurry.

But this call got his attention, took him by surprise, even stunned him, It was from Washington.

''It was unreal. Unbelievable. It's something that happens to somebody else, not you,'' Calhoun said. ''It's like the lottery. You have a ticket but somebody else always wins.''

Not this time, though.

The caller was an official from the National Endowment for the Arts. The occasion was good news: NEA had selected Calhoun to receive one of its 1998 National Heritage Fellowships.

The award, one of the nation's most prestigious honors in folk and traditional arts, includes a $10,000 cash prize for each of 15 artists in 11 states.

Calhoun, a well-known builder of the Reelfoot Lake ''stump jumper'' boat, still finds it hard to believe.

''They told me I'd won but not to tell anybody about it until their press release came out,'' he said. ''Well, the press release is out and I'm telling everybody.''

Other honorees include a jazz fiddler from Kansas City, a silversmith from Oklahoma, a beadworker from Oregon, and a trio of Jewish musicians from Florida.

''These performers and crafts-people, who together represent a rich cross-section of America's many cultures, are honored for their achievements as artists, teachers, innovators, and keepers of traditional art forms,'' said Cherie Simon of NEA.

''They join the ranks of previous National Heritage Fellows who include bluesman B.B. King, Irish stepdancer Michael Flatley, cowboy poet Wally McRae, and acclaimed musicians Bessie Jones, Doc Watson and Bill Monroe.''

Calhoun and other honorees will attend a special presentations program Oct. 5 at Washington. Calhoun said he will be accompanied by his wife, Joanne. He's already kidding about it.

''She's going to be there to get the check. I told her I'd bring it back, but that didn't work,'' he said with a grin.

Calhoun, who in July 1997 retired from 25 years service with the Tennessee Department of Corrections, is anything but retired from building Reelfoot Lake boats. In fact, he is a fourth-generation boat builder, in direct lineage from previous masters of the

craft—his father, William Calhoun; his grandfather, Boone Calhoun; and his great-grandfather, Joe Calhoun.

Calhoun estimates in his time he's built thousands of the shallow-draft boats a writer once dubbed the African Queen of Reelfoot Lake.

''Standard length is 15½ feet. Made of cypress, covered with fiberglass, powered by anywhere from a 3- to an 8-horsepower motor and a set of oars,'' he said.

''It's called a stump-jumper because it'll run in about 12 inches of water. As long as it can float, it will go. You take care of it. it'll last a long time. There's some around here that's 50 and 60 years old.''

Price of one of his boats ranges from $1,500 to $2,500.

Calhoun has displayed his boats and demonstrated his craftsmanship at the World's Fair at Knoxville in 1982, the Tennessee Aquarium at Chattanooga, and at the Smithsonian Institute at Washington.

At the boat-building demonstrations, a curious public stops and watches, he said. Invariably, wherever he's set up shop, a curious public always asks the same three questions.

''Those questions are, 'What kind of wood do you use?', 'How many do you make in a year?, and 'How long does it take you to make one?' '' he said.

''I don't know how many I make in a year. It takes me about 10 days to make one, but I take my time, and the phone rings, and ain't nobody here but me. Besides, I'm supposed to be retired. So who knows? I still have orders to fill. I just put their names down and get to 'em when I can.''

A Reelfoot Lake boat is one permanent display at Obion County museum, Dixie Gun Works, the Tennessee State Museum at Nashville, and the Fish and Wildlife Museum at Atlanta, GA.

Calhoun's customers are nationwide.

''I keep a boat on hand for a man in California. He might call today and say. 'Send it to me.' He's the largest wholesale grocer in California, and he gives Reelfoot Lake boats to his customers,'' Calhoun said.

''He says they can't get one like it anywhere else, so it's something unique for them.''

A TRIBUTE TO FRED GOSLEY

HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BRADY of Pennsylvania. Mr. Speaker, I rise to honor a great Philadelphian, Fred Gosley. Fred is a father and grandfather. He is an honored veteran, who continues to give back to his fellow vets through his work in the VFW. He is a community activist, who is well known for his efforts in the 13th Ward. But, more than anything else, Fred is a man of God.

Fred Gosley made a lifelong commitment to his church. And Fred always keeps his commitments. His Pastor, Rev. Barry Williams, told me that Fred is one of the most active members of New Inspirational. He is an example to old and young of the benefits of hard work and living according to the scriptures.

Mr. Speaker, Fred Gosley will be honored by his church for his service to the community and to New Inspirational. I join them in paying homage to a man who has few peers, Fred Gosley.

IN HONOR OF THELMA GAMMELL ON HER 103RD BIRTHDAY

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. SANCHEZ. Mr. Speaker, today I rise to honor Thelma Gammell on her 103rd birthday.

Thelma is a resident of Santa Ana, California. She was born in South Dakota and grew up on the South Dakotan prairie. Her family worked hard. A closely knit family, they enjoyed life in an old-fashioned way. Thelma and her sister played with their dolls and ''kitten playmates.'' And when it snowed, the whole prairie became their playground.

Thelma is a joy to know. Witty, humorous, full of the spirit of life. Her life has been one of many wonderful adventures. She met her husband, John Gammell in 1912, and the two of them lived in several states—North Dakota, South Dakota, Montana, Wyoming and Nebraska—before moving to Laguna Beach, California. Their son and daughter were born in Wyoming.

In Laguna Beach, John worked as a carpenter and Thelma worked as a pottery designer. After retirement, they traveled, visiting their friends in the Midwest. In 1967 her husband passed away. Thelma became an active volunteer for the Santa Ana Senior Center and has continued to volunteer for the past 13 years.

Everyone who knows Thelma is captivated by her charm and her outgoing personality. She has truly graced our world by her life.

Please join me today in wishing this most remarkable woman a very happy birthday.

IN HONOR OF THE 1998 ROBERTO CLEMENTE AWARD RECIPIENTS OF THE PUERTO RICAN ASSOCIATION FOR HUMAN DEVELOPMENT

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. MENENDEZ. Mr. Speaker, I rise today to pay special tribute to the 1998 Roberto Clemente Award Recipients of the Puerto Rican Association for Human Development (PRAHD) for their innumerable contributions to Hispanic communities throughout New Jersey. For years, this agency has been committed to improving the standard of living of Hispanic families through the administration of programs and services which address the social, economic, health, and educational status of these communities. On October 4, 1998, PRAHD is sponsoring the Annual Roberto Clemente Award, honoring five individuals for their outstanding public service and community involvement.

The award recipients honored this year by PRAHD are: Outstanding Professional, Eralides Cabrera; Outstanding Community Service, Melvin Ramos; Outstanding Educator, Senovia Robles-Cruz; Outstanding Academic Student, Jose Garcia; Outstanding Corporation, Goya Foods and Special Roberto Clemente Award, Minister Robert McCoy.

Founded in 1974 as a charitable organization by the Hispanic leadership of the Perth Amboy area, the Puerto Rican Association for Human Development operates a number of service programs, such as day care services, educational tutoring, emergency legal, housing, and medical assistance, drug prevention, youth and family counseling, and various senior services which serve more than 12,000 people annually. The agency is governed by an eleven-member board of directors selected from the community and administered by Executive Director Lydia Trinidad, who is also PRAHD's Chief Executive Officer. PRAHD also relies on the support and effort of community volunteers who work in all areas of agency operations.

I ask that my colleagues join me in recognizing the outstanding work of these honored individuals and the Puerto Rican Association for Human Development. I further commend their accomplishments and encourage them to continue to serve their communities for many more years to come.

PERSONAL EXPLANATION

HON. CAROLYN C. KILPATRICK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. KILPATRICK. Mr. Speaker, due to a death in my family, I was unable to record my vote on several measures. Had I been present, I would have voted ''aye'' on rollcall No. 521; ''nay'' on rollcall No. 522; and ''nay'' on rollcall No. 523.

HEROIN CRISIS STARTS IN COLOMBIA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. GILMAN. Mr. Speaker, while the Administration has fought the Congress tooth and nail over the last few years to prevent the provision we wanted of high performance (greater lift and range capacity) and crash survivable as well as ballistically hardened helicopters to the Colombian National Police (CNP) excellent DANTI anti-narcotics unit in a real shooting war on drugs, something dramatically has happened on the heroin front here at home.

In the last five years, first time teen (12–17) heroin use has risen a mind boggling 875%, and according to latest DEA seizure and street buy data, 75% of that heroin now comes from Colombia. So while the Administration slept, the Colombian narco-traffickers shifted gears and took over the former Asian dominated U.S. heroin market with cheaper, purer and more deadly South American heroin.

The Washington Times outlined the recent U.S. move towards South American heroin in its edition yesterday in a extensive and comprehensive piece called ''Cocaine Cartels Take on New Product-Heroin''. The article notes this Colombian heroin on the streets of the U.S. approaches (according to DEA) 70% to 80% purity, while the average of other heroin is only 39% purity. Our DEA, FBI and Customs Service agree that the best place to fight drugs is at the source, and in this case, it's the high Colombian Andes fields of opium

poppy, which the native people call the ''devils flower''.

Sadly, the Times piece also notes that in nearby Prince Georges' county here in the Washington area, we have witnessed 42 persons who died last year form heroin overdoses. What's happening abroad, also has consequences here at home.

From the front lines in the high Colombian Andes the news isn't any better. The CNP without high performance helicopters needed to reach the opium poppy fields with enough troops to secure the area for later aerial eradication is seeing more and more poppy. In 1997, according to some Colombian sources we may have had a 1/3 increase in Colombian opium growth, and at best we are only eradicating 1/3 of the small but ever growing and valuable poppy crop. All this means hard times and more overdose deaths in our communities from deadly Colombian heroin.

Mr. Speaker, I request that the Washington Times article dated 10/12/98 I referenced be included at this point in the RECORD:

[From the Washington Times, Oct. 12, 1998]

COCAINE CARTELS TAKE ON NEW PRODUCT—HEROIN

SOUTH AMERICAN SUPPLIERS ECLIPSE ASIA IN BURGEONING U.S. MARKET

(By Jerry Seper)

South America's cocaine cartels have moved into a lucrative new market, becoming the dominant force in supplying heroin to a rapidly expanding clientele of eager U.S. buyers—many as young as 15 years old.

The U.S. Drug Enforcement Administration details in a new report that the agency calls a ''dramatic shift'' over the past four years as South American drug traffickers have wrested control of the U.S. heroin market from once-dominant smugglers in Southeast Asia.

About 75 percent of the heroin seized in 1997 throughout the United States originated in South America, and the numbers are expected to rise for 1998. By contrast, 97 percent of the heroin seized in the United States in 1991 came from dealers in Southeast or Southwest Asia, which now accounts for only about 5 percent of the heroin shipped each year into this country.

Most of the increase comes form smugglers in Colombia, with the drug being shipped clandestinely to buyers throughout the country, particularly in Boston; New York; Newark, N.J.; Philadelphia; and Baltimore—a region known as ''Heroin Alley.''

DEA Administrator Thomas A. Constantine said Colombian cartel leaders, working with Mexican-based drug traffickers, have made management decisions over the past four years aimed at increasing their share of the U.S. heroin market.

''The situation we face today, one of high rates of trauma in our hospital emergency rooms and high mortality rates among heroin users, was brought about by strategic management decisions made by both Colombian- and Mexican-based trafficking organizations to increase their respective shares of the lucrative U.S. heroin market,'' Mr. Constantine said.

Of the more than 6 tons of heroin produced in 1997 in Colombia, virtually the entire stock was delivered to buyers in the United States. Colombia, which already supplies about 80 percent of the world's cocaine, has become both a grower and processor of opium poppies in Bolivia and Peru, which are then refined in jungle labs under the protection of highly paid left-wing guerrillas.

Colombia's new president, Andres Pastrana, has vowed to step up his country's fight against drugs—a promise in sharp contrast to efforts by his predecessor, Ernesto Samper, who accepted $6 million from drug smugglers to help finance his 1994 election campaign.

''Traffickers today know no national boundaries and will utilize the latest technologies and delivery systems to enhance their illicit activities,'' Mr. Constantine said, noting that Colombian-based smugglers drew on the expertise of drug chemists in Southwest and Southeast Asia to produce the higher-quality product flooding the East Coast.

Mr. Constantine said Mexican drug traffickers are working with Colombian chemists to increase the purity level of Mexican-produced heroin to ''expand their markets in the United States.''

The DEA report said there are two general U.S. heroin markets:

- One centered on the East Coast, supplying a high-purity, white powder heroin that can be snorted as well as injected.
- One in the West, specializing in injectable-quality heroin, primarily Mexican black tar.

The Office of National Drug Control Policy has estimated that 810,000 hard-core drug addicts are involved in the use of heroin as their principal drug of choice, and that the high-quality South American product has spawned a new breed of users—those more amenable to snorting rather than injecting the drug.

Records show increasing numbers of young people are becoming involved—particularly in Philadelphia, St. Louis and New Orleans, where about 12 percent of those arrested were between 15 and 20.

Locally, both Montgomery and Prince George's counties have seen the number of addicts entering rehabilitation centers double and triple in recent years, averaging about 500 a year. Prince William County treated about 70 persons for heroin use from July 1997 to June 1998. The total for that period has not yet been tallied for comparably sized Howard County, but authorities expect it to exceed 250.

Last year, heroin overdoses killed 42 persons in Prince George's County.

The DEA has tracked the increasing dominance of South American heroin since 1993 and, according to the report, has found that the purity of the product appears to be its draw. While the national average purity of all heroin is about 38 percent, South American heroin—of that confiscated in New York, Boston, Newark, Baltimore and Philadelphia—registers between 70 and 80 percent pure.

In 1996, Baltimore led the nation in hospital emergency room admissions for heroin overdoses and was second only to San Francisco last year. Of the 401 persons who died of heroin overdoses in Maryland in 1997, 252 fatalities occurred in Baltimore.

The DEA has said that in Baltimore 40,000 addicts pay dealers an estimated $2 million a day for heroin. In the District, there are an estimated 17,000 heroin users, although crack cocaine and marijuana continue to be the drugs of choice.

Mr. Constantine said the agency plans to increase manpower levels and spending totals over the next several years for domestic and international heroin enforcement. He said information collected in hospital emergency rooms, police departments, courts, schools, treatment programs and ''on the street'' shows that heroin consumption in the United States is rising.

''For years, we've seen a hardcore older population of approximately 600,000 heroin addicts,'' Mr. Constantine said. ''Today, we are seeing 11th- and 12th-graders turning to heroin. These 'initiates' are, in all likelihood, at the outset of a long, downward spiral into hard-core addiction or death.''

About 14 percent of the heroin seized last year in the United States came from Mexico. Virtually all of it was headed for buyers in Dallas; Houston; Denver; Phoenix; San Diego; Los Angeles; San Francisco; Portland, Ore.; Seattle; St. Louis; and Chicago.

Despite Mexico's continuing involvement in the drug trade, the Clinton administration certified that country this year as a full partner in the war on drugs—meaning it keeps its eligibility for U.S. aid.

The certification came on a recommendation from the State Department. Colombia was among four countries that were decertified, but it continues to enjoy an exemption from the aid cuts. The administration has said that Colombia, along with Cambodia, Pakistan and Paraguay, are too important to U.S. national security to punish.

Southeast Asian traffickers, mainly in Burma, Laos and Thailand, have been squeezed out of the business by South American smugglers, who have seized the market by offering a higher quality heroin at lower prices—even arranging for easy payments.

''Asian groups traditionally demand either sizable down payments or cash on delivery,'' said Mr. Constantine, noting that Colombia distributors ''often provide drugs on consignment or offer credit.

''Given their reputation for strict enforcement of drug deals, few buyers dare risk reneging on a drug deal with criminal organizations operating from Latin America,'' he said.

BOB OWEN: THE LAST OF THE COUNTRY BANKERS

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. TANNER. Mr. Speaker, the McKenzie Banner's Chuck Ross tells the story of Bob Owen and what Bob has meant to the town of Gleason as well as anyone could.

I have known Bob Owen since the late 1970's when I served in the Tennessee General Assembly. Bob is the Bank of Gleason without question and his service to the community is what makes Gleason and the surrounding communities such good places to raise a family.

As we celebrate Bob Owen Day in Gleason, I want to add my thanks and appreciation to Bob for everything he has done to improve the quality of life for those who live and work in and around Gleason.

Printed below is a copy of a story published in The McKenzie Banner on October 7th, and written by Chuck Ross.

BOB OWEN: THE LAST OF THE COUNTRY BANKERS

(By Chuck Ross)

It has been said many times that a trip of a thousand miles begins with a single step. In this instance, a distinguished banking career began by default. The wartime army called him for induction, yet turned him down on three occasions. As a young high school graduate, shortly after the great depression and right in the middle of a world war, he could not find employment. Then a helpful uncle got him a job as the lowest man on a small banking staff, the first step in a career that has spanned 54 years.

Robert Hiron ''Bob'' Owen was born on February 19, 1927, in the Old Union Community in Henry County Tennessee, the third of

four children born to the union of Robert Owen and Katie Highfill Owen. Both parents had migrated to this area from North Carolina.

The first of the children was James Flemming, who died as an infant. The second was Mary Elizabeth Owen Travillian who lives in Gleason. Bob's younger brother Oscar lives in McKenzie.

Owen said his middle name is unusual, and not many people refer to it when using his name. His mother said she once saw the name in a book, and liked the sound of it. Only his sister still calls him Bob Hiron—when she is mad at him.

Bob's father worked a small farm of 67 acres. The family's property consisted of three or four old cows, a team of mules, and the farm on which they lived. The elder Owen died in 1939 when Bob was only 12 years old, leaving his mother to do odd jobs in order to raise the children.

Few jobs were available for women in those days, so she worked as a seamstress, and took in washing and ironing in order to provide for her young family. The only material possession the family had was the small farm, but they made a go of it because, as Bob said, ''Mom worked hard and provided plenty of love.''

When work was caught up on their farm, he remembers that the family worked on the farms of neighbors for fifty cents a day, carrying their lunches to the filed in a tin bucket.

He started school at four and one half years of age, in the Liberty Four area in Henry County's New York Community, beginning early because retention of teachers at that time depended upon having a minimum number of pupils in the classes.

His first years of school were spent in a one-room facility which housed all eight grades of elementary school, with a single teacher for all grades.

After completion of the elementary grades, he began high school at Henry Station, but changed schools after two weeks. At that time, a school bus route began which transported students from his area to Cottage Grove. He graduate from Cottage Grove High School in 1944.

When he graduated high school, he had very little success in finding work. With World War II in full swing, all young men who were of draft age could expect to receive a summons from Uncle Sam to join in the defense of our country, and nobody wanted to hire a man who would probably be absent from the job within a matter of weeks.

He knew there was very little change that he could enroll in college, because his family did not have the means to pay the costs, and there were no loans and grants available at that time.

Bob tried to get a job at Wolf Creek Arsenal (now Milan Arsenal) but they were not interested because of his draft status. He wound up doing odd jobs he could find until he indeed received his invitation from the Army.

He was registered in Henry County, and was sent to Fort Oglethorpe Georgia for induction. As part of his physical examination, it was determined he was not qualified because of a hearing problem, and his draft classification was changed to 4F and he was sent back home. Subsequently, he was recalled on two other occasions, and was rejected both times because of his hearing.

Mr. Owen said that, although he had not originally volunteered, it was embarrassing not to be in service. Every able-bodied man of his age was off fighting the war, and he was forced to stay at home.

Then along came the Korean Conflict, and despite being married and within six months of being too old for military service, he received another call from his government. This time, he boarded a bus along with 52 other younger inductees, bound for the Veterans Hospital in Memphis. This time, he was one of the few to pass the physical examination.

In 1952, he was sent to Fort Jackson, South Carolina for 16 weeks of basic and infantry training, and was assigned to army finance. He served for a time at Fort Jackson, and later in Japan, Okinawa, and Formosa, converting money and making sure the troops were paid. Having served a two year hitch, he came home based on an accumulation of service points.

After high school and prior to military service, Bob had spent quite a lot of time in trying to locate employment. Finally he had been able to find a company that would hire him. Irish Gates, who ran a sawmill near the Como Community, agreed to give him a job.

His mother did not like the idea of him working at the sawmill because it was somewhat dangerous, and just plain hard work, but he was determined to have a job and that was the only one available. In expressing her concern regarding this job, his mother told him it would be hard work, and informed him that the new guys got the toughest and dirtiest jobs. But she also informed him that ''We didn't raise any quitters!''

He worked carrying slabs cut off the logs as lumber was processed. After two months, the sawmill closed down, and he again found himself unemployed, but not too sorry because he indeed found it to be hard work.

On August 13, 1944, Bob got a break which proved to be a turning point in his life. His uncle, Bennie Oliver, found that the Bank of Gleason was going to hire somebody to work in the bank, and helped him get an interview. He was signed on as the lowest of the three employees at the bank—for a trial period of six months. Those six months turned out to be more than 54 years.

He had grown up in Henry County and didn't know anybody in Gleason, and didn't even know how much he would be paid until he received his first paycheck after 30 days, when he found he would receive a whopping 50 dollars a month. He didn't really like the job, but was afraid to quit because nothing else was available, so he continued to work six days a week from 8 o'clock until 4 o'clock, including sweeping the floor, building a coal fire in the stove every morning, and doing all the tasks assigned to the junior employee.

After a while the Gleason community began to ''grow on him,'' and the job turned out to be better than he thought, As he proved himself to his employer regarding his ability, he began to move up in the bank. Owen then established a self-imposed objective of becoming a bank officer by the time he was 21 years old.

He was appointed Assistant Cashier, which afforded him officer status, in January 1947, just a month before his 20th birthday. In 1950, he received his appointment as Cashier, and became Vice President in 1951. In 1954, he was appointed Executive Vice President and was elected to the bank's board of directors. He was elected President and Chief Executive Officer of the Bank of Gleason in 1965; and was advanced to his current position as Chairman of the Board in 1993.

When he returned from his tour of duty with the Army, he attended Bethel College for a while, not pursuing a degree, but working on courses that would help him do a better job in the banking business. He is also a graduate of the Tennessee School of Banking at Vanderbilt University.

When asked, he agreed that people in the community refer to him as ''the last of the country bankers.'' He went on to explain that there is a great deal of difference between country and city banks. People in the country are very loyal to the bank with which they do business.

Owen said, ''We're in the retail money business. We work hard to give people the service they're so entitled to. We never lose sight that service to our customers is really what it's all about.'' He continued, ''Over the years the community could not have been nicer to me, what with me being an outsider!''

The greatest changes he has noted in 54 years in the banking business are ''air-conditioning and computers—in that order!''

He noted that he began working at the bank when it had three employees. They now have 28 employees between the main bank in Gleason and the satellite facility in McKenzie. When he started, the total assets of the bank were about one half million dollars. Today, their assets total 82 million dollars.

In 1947, Bob Owen married Darreen Shaw, from the Tumbling Creek Community. At that time, she worked at Salant and Salant, a shirt factory in Paris. After they married, she went to work at Martin Manufacturing Company, which manufactured army shirts.

Prior to his entry into military service, the Owen family started an insurance agency, the Owen Insurance Company, which was pretty much a ''moonlighting'' operation necessary to let them make enough to support the family. While he was in the Army, Darreen operated the business, and continued to do so until, as he so aptly put it, ''we got in the boy business.''

Their first son, Robert Shaw Owen, was born in 1955; Alan came along in 1958; and Eric was born in 1960. Robert received a degree in agriculture from the University of Tennessee. Martin, and Eric completed a double-major degree in chemistry and math at Bethel College. Robert and Eric now have a farming partnership in the county, farming more than 2,000 acres.

Alan Owen completed a business administration degree at Bethel College. He worked part-time at the Bank of Gleason during his college years, and is now a Senior Vice President of the bank.

Their sons gave Bob and Darreen seven wonderful grandchildren; Robert Blaine; Kody; Megan; Ericka; Ellen; Samuel; and James. Darreen passed away in November 1989.

Robert Hiron Owen has served his community for many years. He served as Mayor of Gleason, is past Commander of the Gleason American Legion Post #166, is a 32nd degree mason and a shriner—having received his 50 year pin as a mason recently, is a member of the First Baptist Church in Gleason, and is a charter member and past president of the Gleason Rotary Club.

He also served as President of the Tennessee Bankers Association in 1992–93; presently serves as a Director on the State and Federal Legislative Committee, has served on the Board of the West Tennessee Public Utility District for Benton, Carroll, Weakley, and part of Henry County since 1957—and currently is chair of the Utility District.

Bob has served as a member of the Weakley County Jury Commission for the past 25 years, has been a partner in Finch-Owen Insurance Agency since 1957, and is a former partner of the Gleason Lumber Company. He is presently a partner with Travillian-Owen Farms.

And his community service has been appreciated. He has garnered a list of honors which is much too long to print in this article. A partial list includes the following.

He was appointed Aide-de-Camp on the Governor's Staff by both former Governors Lamar Alexander and Ned McWherter; was

appointed to the Tennessee Student Assistance Corporation by Governor McWherter in 1988, and continues to serve in that capacity; he was Grand Marshal of Tatertown Festival in 1978 and 1990; he was named a ''Paul Harris Fellow'' by the Rotary Club; he received the outstanding citizenship award in 1959, and was named ''Boss of the Year'' by the local Jaycee Chapter in 1978.

He was honored by local townspeople with a ''Bob Owen Day'' in his honor. At that time, an annual ''Bob Owen College Scholarship'' was set up by the Bank of Gleason, to be awarded to a high school senior, based upon their overcoming financial and hardship difficulties.

The Tennessee House of Representatives passed a resolution in his honor, he was made an honorary staff member of the 77th Legislative District of the Tennessee House of Representatives by then State Representative John Tanner.

The Woodmen of the World Life Insurance Society presented him an Honor Plaque for Outstanding Citizenship, and he was named Rotarian of the Year by the Rotary club in 1978 and 1979.

In keeping with his humble nature, Bob Owen, said, ''I'm in the banking business by default, because I couldn't find anything else to do.''

Regarding his life, he continued, ''It's been a great ride, I came from a humble background. My Mom had to be something out of this world. My father died when she was only 47 years old, and she raised three children with the sweat of her brow, and a lot of love.''

It may be accurate for the community to refer to him as the last of the country bankers, but Bob Owen is a world-class citizen, who cares deeply for his community and the people he serves.

As was so appropriate by stated by the late Billy O. Williams, Associate Poet Laureate of the State of Tennessee, during a presentation on Bob Owen Day in Gleason:

''He must have done some things just right,
as he walked down life's highway,
'Cause folks have come from all around,
on this his special day.

Being fair, being honest and being kind,
has been his life's ongoing.
May the good 'Lord' bless, years of happiness,
for Robert H. 'Bob' Owen.''

A TRIBUTE TO GUS A. PEDICONE

HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BRADY of Pennsylvania. Mr. Speaker, I rise to utter a few words about Gus Pedicone, a man truly worth honoring. Born and raised in Philadelphia, Mr. Pedicone has been a great leader to his community. His achievements are well worth noting as they demonstrate the positive results that come with hard work and determination.

Perhaps such determination and desire to succeed came about through Gus's early years as a soldier. Serving in both World War II and the Korean conflict, Gus displayed his commitment to serve this community, a commitment that has now spanned over fifty years. Soon after his career as a soldier, Gus entered the political arena, first as a committeeman, then as a Republican Ward Leader for the 26th Ward. At the pinnacle of his political career in 1971, he was even a candidate for United States Congress.

Obtaining degrees from both the Palmer Business School, and the highly esteemed Wharton School of Business at the University of Pennsylvania, Mr. Pedicone's business savvy is self-evident. He started his own air freight business in 1965, which became a very successful endeavor. Gus was also on the State Tax Equalization Board for 14 years, and was a recent appointee to the State Board of Automotive Manufacturers. While too often such success is coupled with a loss of community spirit, Gus has proven his loyalty as a member of the Sons of Italy and as a past member of the Lions Club.

Aside from all these accomplishments, Mr. Speaker, Gus Pedicone should be recognized for his legacy as a role model. He is well known throughout the Philadelphia community as a gentleman and a man of his word. Just the other day, I spoke to his Democratic counter part, the Honorable Ronald Donatucci. Although Mr. Pedicone and Mr. Donatucci spent years opposing each other on election day, Ron had nothing but praise for Gus. All of us can only hope to be so well thought of by our opponents.

Gus Pedicone is a truly remarkable man. His diverse achievements in both the private and public realms give way only to his continuing desire to serve his community as best he can. He has had a positive effect on all aspects of our community for over fifty years, and for this I would like to express my deepest gratitude.

IN HONOR OF HERMAN FINK ON HIS 102ND BIRTHDAY

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. SANCHEZ. Mr. Speaker, today, I rise to congratulate Herman Fink of Santa Ana, California, on his 102nd birthday. As a well-known Santa Ana resident, Mr. Fink has lived on the same street (Flower Street) in Santa Ana for 59 years. During that time he has become known as ''the Honorary Mayor of Flower Street'' to all those who live around him.

An avid world traveler, Mr. Fink has been to the farthest reaches of the world. He has traveled to nearly every land on earth, from Egypt to Australia, from France to South America. He loves to travel and has lived his life as an adventure, seeking out the treasures of discovery and savoring the immense richness of many foreign lands.

Herman Fink was married for 67 years to his wife, Clara. Theirs was a perfect marriage, according to his only daughter, Lorraine Ellison of Garden Grove, California. Many happy years of marriage, a lovely daughter, two granddaughters and two great grandchildren have filled his life with love and joy.

To this day, Mr. Fink lives in his own house in Santa Ana. He is in excellent health and his days are filled with friendship. At his birthday party on September 26, his favorite restaurant beamed with love and friendship. Herman Fink is a man who is loved by many people, a genuine testament to a life well-lived.

IN HONOR OF THE COMMUNITY UNITED FOR THE REHABILITATION OF THE ADDICTED 25TH ANNIVERSARY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. MENENDEZ. Mr. Speaker, I rise today to pay special tribute to the Community United for the Rehabilitation of the Addicted, Inc. (CURA) for their innumerable contributions throughout New Jersey. For years, this agency has been dedicated to the treatment and rehabilitation of Spanish speaking individuals who are addicted to drugs or alcohol. Because of its unique treatment philosophy, the program boasts one of the highest success rates of any similar program in the country.

CURA was established in 1973 in response to the poor success rate of Spanish speaking addicts in other programs. CURA offers long-term residential drug-free rehabilitation programs, outpatient drug-free rehabilitation programs, short-term residential programs for alcoholic addicts who are 18 years or older, an outreach prevention program in surrounding communities for ''high risk'' youngsters 12–17 years of age, and supplemental services which include vocational evaluation and training, high school equivalency preparation, a health examination, HIV education and prevention, recreational activities and job placement assistance.

I ask that my colleagues join me in recognizing the outstanding work of the Community United for the Rehabilitation of the Addicted. I would like to commend the CURA staff, Board of Trustees and Chairman Miguel Rivera. I encourage them to continue to serve their communities for many more years to come.

WORLD POPULATION AWARENESS WEEK

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. SANDERS. Mr. Speaker, I rise today to call World Population Awareness Week 1998 to the attention of my Colleagues. October 24–31 marks the 13th annual celebration of World Population Awareness Week. More than 300 family planning, environmental, educational, community and service organizations in 61 countries are co-sponsoring the week in an effort to raise awareness of the need for universal voluntary family planning.

I call the Governor of Vermont's, the Honorable Howard Dean, proclamation to the attention of my colleagues.

WORLD POPULATION AWARENESS WEEK PROCLAMATION—1998

Whereas world population stands today at more than 5.9 billion and increases by more than 80 million per year, with virtually all of this growth in the least developed countries;

Whereas the consequences of rapid population growth are not limited to the developing world but extend to all nations and to all people, including every citizen of the State of Vermont concerned for human dignity,

freedom and democracy, as well as for the impact on the global economy;

Whereas 1.3 billion people—more than the combined population of Europe and North Africa—live in absolute poverty on the equivalent of one U.S. dollar or less a day;

Whereas 1.5 billion people—nearly one-quarter of the world population—lack an adequate supply of clean drinking water or sanitation;

Whereas more than 840 million people—one-fifth of the entire population of the developing world—are hungry or malnourished;

Whereas demographic studies and surveys indicate that at least 120 million married women in the developing world—and a large but undefined number of unmarried women—want more control over their fertility but lack access to family planning;

Whereas this unmet demand for family planning is projected to result in 1.2 billion unintended births;

Whereas the 1994 international Conference on Population and Development determined that political commitment and appropriate programs aimed at providing universal access to voluntary family planning information, education and services can ensure world population stabilization at 8 billion or less rather than 12 billion or more.

Now, therefore, I Howard Dean, Governor of the State of Vermont, do hereby proclaim the week of October 25–31, 1998 as World Population Awareness Week, and urge citizens of the State to take cognizance of this event and to participate appropriately in its observance.

SAVE THE INTERNATIONAL SPACE STATION ACT OF 1998

HON. F. JAMES SENSENBRENNER, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. SENSENBRENNER. Mr. Speaker, today I am introducing H.R. 4820, the Save the International Space Station Act of 1998. This is a straightforward bill that contains several provisions that will restore accountability to the program while preserving our commitment to our international partners in the Space Station program. More importantly, it lays the groundwork to help prevent future cost growth and schedule delays by putting NASA on a track to solve systemic problems. The bill should be non-controversial. Most members have seen these provisions before. This legislation was drafted around the bipartisan Sensenbrenner-Brown amendment to the Civilian Space Authorization Act for fiscal year 1998 and 1999, which the Committee on Science adopted and the House of Representatives passed last year.

Basically, the bill precludes additional payments to the Russian Space Agency to meet its existing obligations unless Congress concurs that additional payments serve the taxpayer's interest. It requires the Administration to develop a contingency plan and report that plan to Congress for removing each element of the Russian contribution from the critical path for assembling the International Space Station. It does contain two new provisions from the Senate, which were worked out on a bipartisan basis. The first of these new provisions is a total cost cap on the program. The International Space Station has never had a legislatively imposed cap on the total cost of the program before. The Senate has made such a cap a priority and the bill contains a measure worked out between the Senate and the Administration. The second new provision concerns cross-waiver authority under which NASA will negotiate agreements with other Station partners to reduce our liability to one another in the event of problems with the Space Station. Ultimately, this measure must be passed for the Space Station to be assembled and operated in space.

By passing this bill sooner rather than later, Congress can do its part to contain future cost growth and put this program back on track towards developing and operating a world-class scientific laboratory in space.

A TRIBUTE TO H.E.R.O.

HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BRADY of Pennsylvania. Mr. Speaker, I rise to honor H.E.R.O., the Philadelphia based non-profit organization which endeavored, and succeeded, to make a positive change in our local community. Their motto, which is ''Helping to Energize and Rebuild Ourselves'', has become a prophecy fulfilled. They have served a dual role since their inception, gathering teens off the street to participate in positive events, while also helping to ease the pain of those who have suffered great loss.

H.E.R.O. came into the spotlight about two years ago after the Philadelphia community was emotionally torn over the grueling murder of Aimee Willard, a 22 year old star athlete who was killed after leaving a bar in Wayne, PA. In an effort supervised by Dorris Phillips, the assistant director of H.E.R.O., the organization transformed the site of where Aimee's body was found. Instead of allowing this site to remain a source of angst in the community, these volunteers decided to turn it into a source of pride.

They have put in an astounding effort to create a memorial for Aimee. Today, the place where Willard was found is marked by two plastic covered photos of her and a two-foot cross draped with a graduation tassel and rosary, set amid fifteen flower pots. Finding lots of help from neighbors, unions, and various city agencies, H.E.R.O. has assisted in planting a garden, building picnic tables and gazebos, and painting a mural of Aimee which was presented to the Willard family on September 13th of this year.

These contributions cannot go unnoticed. In the wake of tragedy, H.E.R.O. has emerged as an organization that is predicated on positive change in the Philadelphia community. Their success in changing the perceptions of the local youth are typified in the comments of one of its youth volunteers, Eugena Humphrey. As Humphrey stated in an article for the Philadelphia Inquirer, ''People always talk bad about it; I know I sometimes do. Maybe if you make one change, other changes will develop.'' With organizations like H.E.R.O. around, positive change does not remain an intangible dream, but is rather allowed to become a reality. For this, the City of Philadelphia owes its sincerest thanks.

IN HONOR OF THE 1998 COLUMBUS DAY HONOREES

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. MENENDEZ. Mr. Speaker, I rise today, October 12, 1998, Columbus Day to pay special tribute to the 1998 Hudson County Columbus Day Parade and the Bayonne Columbus Day Parade Honorees.

From the Hudson County Parade: Michael Ricciardone, Parade Chairperson; Guy Catrillo, General Chairman; Nick Fargo, Jr., Grand Marshal; Scott Ring, Honorary Grand Marshal; Reverend James Pagnotta, Italian Clergy of the Year; Lois Shaw, Italian Woman of the Year; Mayor Anthony Russo, Italian Man of the Year; Renee Bettinger, Italian Stateswoman of the Year; Damian Andrisano, Italian Statesman of the Year; Surrogate Donald DeLeo, Italian Diplomat of the Year; Andrew Muscarnero, Italian Educator of the Year; Peter Varsalona, Italian Veteran of the Year; Patricia Cassidy, Italian Policewoman of the Year; Frank Scarpa, Italian Policeman of the Year; Michael Pierro, Italian Fireman of the Year; Susan Loricchio, Miss Columbus; Glorio Esposito, Recipient of the Special Achievement Award; and Caroline Guarini, Recipient of the Golden Chalice Award.

From the Bayonne Columbus Day Parade: Marie Sestito, Parade Chairperson; Joseph Pelliccio, President, Parade Committee; Matthew Guerra, Grand Marshal; Captain Ralph Scianni, Public Safety Officer of the Year; and Lauren Boch, Miss Columbus.

I thank these men and women for their hard work and dedication. I am honored to have such outstanding individuals residing in my district. I am certain my colleagues will join me in paying tribute to them today.

TRIBUTE TO TOM BRADLEY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. WAXMAN. Mr. Speaker, it was an honor to know Tom Bradley and we are all saddened by his death.

People wouldn't, by any stretch of the imagination, think of Tom Bradley as a revolutionary. He was soft-spoken. He was a conciliator. He didn't often show his emotion. And, while he labored hard, he always did so quietly and behind the scenes. He was a gentleman in every sense of the word.

No other single person, however, did more than Tom Bradley to break with the past and redefine the promise of the future.

Tom's own life marked a string of firsts.

He attended Polytechnic High School in Los Angeles—a majority white school—where he was the first elected black president of Poly's Boys League; he was the first black student indicted into Ephebians, a national honor society; and he was the captain of his school's track team.

When Tom joined the Los Angeles Police Department in 1940, there were 100 blacks on a force of 4000. When he retired in 1961, he was a lieutenant, the highest rank of any black officer on the force.

Tom was the first black person elected to the Los Angeles City Council and he was Los Angeles' first black mayor.

The truth is I could spend the next hour reciting a list of barriers that Tom broke down. But recognizing that he was a pioneer only tells half the story. His achievements once those barriers were broken tell the rest of it.

Tom served as mayor of Los Angeles for five terms during twenty years of tremendous economic growth, rapid change, and flourishing diversity.

Tom was a terrific mayor and uniquely suited to those times. He was a consensus builder. He never practiced the politics of division. Under his stewardship, Los Angeles became the financial capital of the West Coast. It became a city that valued its multiethnic people and nurtured their entry into the middle class.

Tom was the son of a sharecropper and the grandson of a slave. He experienced the hard existence of the least fortunate of our society in the early twentieth century. From those humble beginnings, he rose to become a leader of one of the most dynamic and prosperous cities of our nation. His story is uniquely American.

I want to express my condolences to Tom's widow, Ethel, and his daughters, Phyllis and Lorraine, during this very sorrowful time.

GEOGRAPHY AWARENESS WEEK

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BARTON of Texas. Mr. Speaker, today I rise to recognize Geography Awareness Week in Texas. Geography is about knowing where things are. It's about being able to read a map to find your way, calculate the time difference before making a long distance, and even situate a place heard about on the news onto your mental map of the world. But geography is also about understanding why things are located where they are. It offers perspectives and information in understanding ourselves, our relationship to the Earth's resources and our interdependence with other people of the world. By knowing geography, we can see how historical processes and present activities influence people, places and things. Geography education better prepares us to understand, interpret and find our place in this changing world at a time when tools like the Internet take us to every corner of the world with the click of a button.

This year, state geographic alliances across the country, including in my home state of Texas, are celebrating the theme: ''People, Places and Patterns: Geography Puts the Pieces Together.'' The state of Texas has begun the task of improving geographic education by adopting state geography standards, and through the support of the teachers' organization Texas Alliance for Geographic Education, is actively working to implement these standards by disseminating new advances in teaching geography at the kindergarten through senior high level.

November 15th to 21st will be Geography Awareness Week in Texas. I urge residents to recognize the importance of geography, and to work toward the development of geographic knowledge in our schools and communities.

ANKARA'S DECISION TO SENTENCE LEYLA ZANA

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. FURSE. Mr. Speaker, I rise today to express my indignation over the decision of the Turkish government to sentence Leyla Zana, the Kurdish parliamentarian who is currently serving a fifteen year sentence, to two additional years in prison as a blatant violation of the freedom of expression and an insult to her supporters worldwide.

This time, the Turkish authorities charge that Leyla Zana broke the law in a letter she wrote to the People Democracy Party (HADEP) to urge them to be forthcoming, diligent, decisive and to push for individual and collective freedoms. The fact that Leyla Zana has been charged with inciting racial hatred reveals that Turkey is a racist state and continues to deny the Kurds a voice in the state.

As my colleagues know, Leyla Zana is the first Kurdish woman ever elected to the Turkish parliament. She won her office with more than 84% of the vote in her district and brought the Turkish Grand National Assembly a keen interest for human rights and conviction that the Turkish war against the Kurds must come to an end. Last year, 153 members of this body joined together and signed a letter to President Bill Clinton urging him to raise Leyla Zana's case with the Turkish authorities and seek her immediate and unconditional release from prison.

Leyla Zana was kept in custody from March 5, 1994, until December 7, 1994 without a conviction. On December 8, 1994, the Ankara State Security Court sentenced her and five other Kurdish parliamentarians to various years in prison. Leyla Zana was accused of making a treasonous speech in Washington, D.C., other speeches elsewhere and wearing a scarf that bore the Kurdish colors of green, red and yellow. This year marks her fifth year behind the bars.

Today, in Turkish Kurdistan, 40,000 people have lost their lives. More than 3,000 Kurdish villages have been destroyed. Over 3 million residents have become destitute refugees. Despite several unilateral cease-fires by the Kurdish side, the Turkish army continues to pursue policies of hatred, torture and murder, and genocide of the Kurdish people.

Mr. Speaker, as I finish my sixth year in office as a member of the United States Congress, I find it outrageous that the government of Turkey, after so much outcry, after so much petitioning and after so much publicity would dare to punish her again incensing her friends and supporters all over the world. There is only one word that comes to my mind and it is, fear, Mr. Speaker. The government of Turkey is afraid of Leyla Zana and it thinks it can lock her away forever. That was the story of those who locked Nelson Mandela. The longest nights, Mr. Speaker, give way to bright dawns. Mr. Mandela is a public servant now. And the world is grateful.

People like Leyla Zana who utter the words of reconciliation and accommodation need to be embraced, validated and freed. I urge the government of Turkey to set aside its conviction of Leyla Zana and free her immediately, and I urge my colleagues and government to condemn her conviction and make her release a priority.

A TRIBUTE TO SAM MEYERS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. OWENS. Mr. Speaker, on November 8, 1998, Sam Meyers will be honored with a Lifetime Struggle and Achievement Award by the citizens of Central Brooklyn; however, his career is one with far-reaching significance for the national labor movement and for American progressive political leadership.

Sam Meyers, retired President of United Auto Workers Local 259, has been honored by many groups numerous times over the last few decades and all of the accolades have been deserved. Now eighty years old, he can relax with the satisfaction and assurance that he has been to the mountain top. Beyond his individual giving there are also the contributions of his wife, Carolyn, a retired East New York teacher, and his sons, Dan and Matt. Attorney Dan Meyers has devoted much of his life to the case seeking justice for the victims of the Attica assault.

Sam has been a special hero of Central Brooklyn for nearly twenty years. The Frank Barbaro campaign to unseat Koch and the victorious campaign which elected Mario Cuomo are two of the key events which forged the longstanding alliance of Sam Meyers and Major Owens. The Barbaro mayoral campaign created the opportunity, for fighters who had previously briefly met each other only on speaking platforms, to then become permanent partners for progressive politics and empowerment. Beyond his immersion in the strategy and tactics of everyday leadership for his union, Sam Meyers had a vision and acted with others to fulfill the dream of a citywide political coalition.

In the Summer of 1982, on the same day that major Owens announced the formation of the Brooklyn Coalition for Community Empowerment as his congressional campaign committee, Sam Meyers delivered a check from the United Auto Workers. It was a maximum contribution for the primary and the only such Political Action Committee donation received by the new and unknown Brooklyn political movement. Owens and his political partners—Vann, Green, Norman, Boyland—had nothing concrete that they could trade for support. Indeed, Sam Meyers, angered many powerful old friends of his when he endorsed the dissidents who were despised by the old Kings County machine.

Sam's adoptions of the Brooklyn empowerment effort was an act of political faith with roots in his mother's aspirations for a better world. Across boundaries of race, ethnicity and age, without hesitation, he applied the same principles that had guided his building of a great UAW Local 259. Always present in the mind of Brother Meyers was the credo of the street fighter. You have to believe and you have to dare.

Sam Meyers began his lifetime struggle in 1940 as a sheet metal worker and a member of UAW, Local 365. In 1943 he joined the Army Air Corps. In 1958 he led the successful fight to oust a leadership that had become too

far removed from the membership and was elected President of Local 259. In the late 60's he was a co-founder of the New York Labor Committee Against the War in Vietnam. In the early 70's Sam helped to bring national attention to the impact of plant closings and runaway shops. In the late 80's he served as a Jesse Jackson Brooklyn delegate to the Democratic National Convention.

For several decades Local 259 championed the forces of liberation and democracy in South Africa, South America, Haiti and throughout the globe. Numerous refugee labor leaders found safe haven, support and solidarity at Local 259. To continue expanding his legacy Sam Meyers now serves on the Commission for the Future of UAW. His career offers both inspiration and challenge for future generations.

The personality of Sam Meyers can be summarized in the same manner that author Edith Hamilton described the mentality of the great Greek civilization. He maintains a steady gaze on the world as it is with all of the harshness and pitfalls, but he never retreats into cynicism and despair. He is tough but full of hope. Central Brooklyn is proud to salute Sam Meyers for his Lifetime Struggle and Achievement.

TRIBUTE TO TOM BRADLEY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. BERMAN. Mr. Speaker, few elections have given me greater satisfaction than Tom Bradley's victory as mayor of Los Angeles in 1973. At a time when militants and cynics were beginning to dominate the debate over race, Tom ignored the trend and assembled a coalition of blacks, whites and Latinos in his campaign. I know Martin Luther King would have been proud of Tom's accomplishment.

Courage and strength are the words that come to mind when I look back at the life of Tom Bradley. I can't imagine many of us would have persevered when faced with the same barriers that Tom faced again and again. Grandson of a slave, son of sharecroppers. Tom moved to Los Angeles at the age of seven in 1924. LA in those days was not a city especially hospitable to black people. Certainly there were very few examples anywhere in the country of African-Americans who had achieved success in politics or other fields. But Tom embarked on his career as if none of that mattered.

In 1941, Tom became a member of the Los Angeles Police Department, placing near the top on a recruitment exam. He spent 20 years on the force, eventually becoming lieutenant. At the time of his retirement, Tom was the highest-ranking black officer in the Department.

Now began the most famous phase of Tom Bradley's life. Two years after leaving the LAPD, he ran for a seat on the Los Angeles City Council. In a preview of what was to come, Tom brought together blacks, Asians and whites to defeat a white candidate for the seat. He was the first African-American in the history of Los Angeles to be elected to the City Council.

Tom always remained true to the idea of building coalitions among different groups. This was not only a political strategy, but an honest expression of Tom's humanity. He genuinely liked people, and was as comfortable in the neighborhoods of Fairfax Avenue, Chinatown and Boyle Heights as in South Central Los Angeles. He was exactly the kind of person you would want to be mayor of a large and incredibly diverse city.

In 1969, Tom Bradley ran for mayor of LA. The incumbent, Sam Yorty, waged a blatantly racist campaign to defeat Tom. Rather than reacting with anger and hostility, which would have been understandable, Tom took the loss with equanimity. He vowed to fight again—at the ballot box. Tom's 1973 victory changed Los Angeles forever. For one, he proved that a black person could be elected mayor in a city with a relatively small black population. Even more important was the vivid demonstration that unity can triumph over divisiveness. Unlike many others then and now, Tom didn't play the ''race card.''

I don't want to cover in detail Tom's 20-year record as mayor, except to note that he opened up city hall to people from all backgrounds and brought the Olympics to LA in 1984. It says something that he was re-elected four times with only token opposition. I can't imagine Los Angeles will ever have a more popular mayor than Tom Bradley.

I ask my colleagues to join me in remembering Tom Bradley, who represented the best America has to offer. He was a gentleman, a fighter for equal rights and justice and a man who fervently believed in the idea that through hard work and determination anything is possible. I hope that future generations will look to Tom Bradley as a model for how to live one's life.

AFRICAN DEVELOPMENT FOUNDATION

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. PAYNE. Mr. Speaker, I rise in support of the African Development Foundation (ADF) and appeal that it be funded at the full request of $14 million. ADF plays a unique role within the United States government foreign aid programs. It is the only agency providing assistance directly at the community level to alleviate poverty and promote economic and social empowerment in Africa. It uses an approach premised on self-help and fosters self-reliance and local ownership. ADF has an impressive track record of high-impact projects that are sustained by the local community.

Working in fourteen countries, full funding of ADF will leverage an additional $2.0 million from external sources and will finance almost 100 innovative projects that will benefit tens of thousands of poor Africans. ADF efforts are focused in four areas:

Promoting micro and small enterprise development to generate jobs and income for poor women, unemployed youth and other marginalized groups;

Expanding the participation of small African enterprises and producers groups in trade and investment relationships with the U.S. and within Africa;

Improving community-based natural resource management for sustainable development; and

Strengthening civil society and local governance to reinforce democratic structures and values.

I would like to strongly endorse the excellent work of the ADF and encourage my colleagues on both sides of the aisle to do the same. In conclusion, I ask you to join me in supporting full funding for the African Development Foundation.

TRIBUTE TO CARNEY CAMPION

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. RIGGS. Mr. Speaker, I rise today to give a special thank you to Carney Campion, who is retiring next month as General Manager of the Golden Gate Bridge, Transportation and Highway District.

San Francisco's Golden Gate Bridge is a national symbol and national treasure. Carney Campion has been with the Bridge District for 23 years, and is its eighth General Manager. He continually dedicated himself to assuring that the Golden Gate Bridge remained structurally sound, and that Golden Gate Bus and Ferry Transit performed efficiently.

Carney has guided the Bridge District through labor strikes, has managed repeated demonstrations and celebrations, and has assured that tolls are sufficient to meet all of the Bridge District's needs. Recently, he helped obtain Federal support for seismic retrofit of the Golden Gate Bridge. Among other of Carney's numerous contributions are successful re-decking of the Bridge, modernization of transit and ferry service and facilities, and reorganization of the District's management and operations structure. He also had the foresight to help acquire the Northwestern Pacific Railroad right-of-way, which represents the Northern San Francisco Bay area's best hope for commuter rail service.

Born in Santa Rosa, California, Carney is a 1950 graduate of the University of California at Berkeley. He received his Bachelors of Arts degree in Personnel and Public Administration. He has held numerous positions in national and California business, transit and service organizations.

Mr. Speaker, Carney Campion is a true son of Northern California. His contributions will long contribute to the quality of life that we in the area all enjoy. As he begins a well-deserved retirement, I wish him and his wife, Kathryn, best wishes and Godspeed.

THE LOS FRESNOS CISD

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. ORTIZ. Mr. Speaker, I rise today to explain why it is particularly painful for me to be here in Washington DC today, as opposed to the event on my schedule for today in Texas. I was to speak to an elementary school in the Los Fresnos Consolidated Independent School District.

Villareal Elementary is a school which has, for the last three years running, scored an exemplary rating from the Texas Education

Agency's Texas Academic Achievement Scores (TAAS) test. These tests in Texas gauge our children's progress in learning, as well as the progress by school boards to incorporate various teaching techniques into the curriculum.

The first year I went there, I urged them to do well on their TAAS tests, telling them if they did well, I would come back to urge them on for the next year. They did well, and I went back the next year. It has become a matter of habit for us now, Villareal Elementary scoring high on their TAAS, and their local congressman coming back to shout bravo for their efforts.

Perhaps it will be helpful to explain why this school district does so well academically. This is a school district with a creative and energetic leader, Dr. Eliseo Ruiz, the superintendent of LFCISD, who attributes the high academic achievements to ''purposely setting some very high goals.''

Dr. Ruiz was named one of 10 ''exemplary superintendents'' in Texas, and the school district itself ranked fourth in the state in the education of Hispanics, according to research by Texas A&M University. According to Dr. Ruiz, the stars began to line up for the school district about four years ago when they began aligning curriculum, establishing timelines and monitoring benchmarks.

He insists that a greater parental involvement was the key to the schools' collective success. Each school requires a parents' fair at the beginning of the year, followed by various keynote speakers to parents about how to work with children in learning responsibility. Once again, we have an example of what really works in our nation's schools . . . parental involvement from the beginning to the end.

While Congress labors mightily today to complete our work for the year, be aware of the fact that there is a school which very much wanted their congressman to see them today. For the RECORD, their congressman wants very much to see them today; they never fail to move me and inspire me.

AUTOMOBILE NATIONAL HERITAGE ACT OF 1998

SPEECH OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 10, 1998

Mr. DINGELL. Mr. Speaker, I would like to thank Representative HANSEN for bringing this legislation before the House for consideration. I am deeply grateful for his support and the work he has done on H.R. 3910.

The industrial, cultural, and natural heritage legacies of Michigan's automobile industry are nationally significant; they have made this a greater country. In cities across Michigan, such as Detroit, Dearborn, Flint, Kalamazoo, Lansing, and Saginaw, the automobile was designed and manufactured and in turn helped establish and expand the United States as an industrial power. The industrial strength of automobile manufacturing was vital to defending freedom and democracy in two world wars and fueled our economic growth in the modern era.

Automobile heritage is more than the assembly lines and engineering rooms where cars were created and built. Turning a vision into a reality, the story of the automobile is a tale of hard work and growth. It is the shared history of millions of Americans who fought, during the labor movement, for good wages and benefits. This industry shaped 20th Century America like no other; it is the quintessential American story. It is a story worth celebrating and sharing.

The end product of all this hard work and cooperation, the Automobile National Heritage Area, creates something special and lasting both for Michigan and America. Again, I thank my colleague from Utah, Representative HANSEN, along with Chairman DON YOUNG. The gentleman from Utah has done a superb job, and I salute him. I say to my colleagues from both sides of the aisle, and from all regions of America, that the Automobile National Heritage Area will enormously benefit the people of the 16th District in the State of Michigan and those who work in and are dependent upon the auto industry. This area is very, very important to us in Michigan in terms of remembering our history, who we are, and what we have done to build America.

But all these efforts in Washington would not have come about if not for the years of planning by educators, local officials, and business leaders to bring together—in one package—a way to preserve this story. These local, grassroots efforts have been supported by many organizations in Michigan, including our major automobile manufacturers, labor organizations, businesses, towns and cities, chambers of commerce, and elected officials from both parties. There are too many individuals to thank today. But I would like to extend my gratitude to Ed Bagale of the University of Michigan-Dearborn, Steve Hamp of the Henry Ford Museum, Sandra Clark of the State of Michigan, Maud Lyon of the Detroit Historical Museum, Bill Chapin, and Barbara Nelson-Jameson of the National Parks Service.

I urge my colleagues to support the rich history and tradition of the automobile. Support this unique American story. Support H.R. 3910.

DIGITAL MILLENNIUM COPYRIGHT ACT

SPEECH OF

HON. TOM BLILEY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 12, 1998***SHD***Clarification of Provisions of H.R. 2281 Relating to Stock Market Data*

Mr. BLILEY. Madam Speaker, I rise to correct a clerical error that resulted in the omission of an important portion of my statement of August 4, 1998 in support of H.R. 2281.

In my statement, I had included clarification of certain portions of the legislation that provide for the protection of electronic databases, specifically with respect to entities that collect and disseminate information about our stock markets.

I supported this legislation because my good friend, Chairman HYDE of the Judiciary Committee, agreed to my request to include provisions that ensure that the protections provided in the Act in no way undermine or affect the provisions of the Federal securities laws relating to the collection and dissemination of information about the stock market.

Section 11A of the Securities and Exchange Act of 1934, and the rules promulgated thereunder, charge the Securities and Exchange Commission with the duty to assure the prompt, accurate, reliable and fair collection, processing, distribution, and publication of information about stock quotes and transactions. The ability and extent to which self-regulatory organizations such as stock exchanges may collect fees for the dissemination of this information is subject to the approval of the Commission. Pursuant to this authority, the Commission has, in the past, approved of fees charged for stock market quotations by self-regulatory organizations such as stock exchanges, which have used these fees to fund the collection and distribution of market data pursuant to the requirements of the Exchange Act, among other activities.

Similarly, pursuant to the authority granted it under Section 11A of the Exchange Act, the Commission may, in the future, reexamine the fee structure associated with the dissemination of market data to better serve the public interest, protect investors, and promote efficiency, competition, and capital formation. The legislation explicitly preserves the ability of the Commission to take such action, with respect to both real-time and delayed data. In this regard, I wish to emphasize that this legislation does not create a property right in either real-time or delayed market data for self regulatory organizations, and preserves the full and complete authority of the Commission over the ways in which stock market data is collected and disseminated.

This is critical because some experts have described stock quotation information as being ''as necessary as oxygen'' to investors, especially as investors turn more and more frequently to their computers to invest on-line.

As the Internet and electronic communication make it increasingly easier for investors to seek out information about the marketplace and participate in our stock markets, we must ensure that these technological advances provide maximum access to information for investors, consistent with the competitive and efficient functioning of our marketplace.

In this regard, I intend to continue the Committee's vigorous oversight of this important area to ensure that the Commission is using its authority under the Exchange Act to ensure that fees that are charged for market data neither hamper the development of the most efficient means for investors, especially retail investors, to obtain this information nor undermine the ability of the stock markets to fulfill their obligation to provide it.

CELEBRATION OF POLISH-AMERICAN HERITAGE MONTH

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. ROTHMAN. Mr. Speaker, I rise today to mark Polish-American Heritage Month which is being celebrated throughout our nation during the entire month of October. For seventeen consecutive years, the more than one million Polish-Americans in New Jersey have participated in events that honor and recognize the remarkable accomplishments of the Polish-American community.

The Polish values we celebrate during the month of October are universal values, embraced by millions of Americans. On behalf of the active and growing Polish-American community that I am proud to represent in northern New Jersey, I urge all my colleagues to reaffirm our nation's warm relations with Poland during Polish-American Heritage Month.

To be sure, Polish-Americans are rightly proud of the high level of cultural, social, economic and political involvement they have established in America. By assisting Poland's current transition to democratic governance and a market economy, the Polish-American community is continuing a long tradition of aiding their homeland. Following World War II, it was the Polish-American community that initiated legislation that enabled the resettlement to America of over 200,000 members of the Polish Armed Forces who had fought for the cause of freedom. These efforts, coupled with the unbridled patriotism and ingenuity of millions of Polish-Americans, have made our country a better place to live.

Mr. Speaker, I want to praise the dedicated work of the Polish-American Heritage Month Committee and the hard work of the Polish-American Congress in sponsoring this worthwhile month-long celebration of the Polish experience in America. I salute the efforts of all those who have endeavored to highlight the tremendous contribution Polish-Americans have made to our nation.

CALLING ON THE PRESIDENT TO RESPOND TO INCREASE OF STEEL IMPORTS AS A RESULT OF FINANCIAL CRISES IN ASIA AND RUSSIA

SPEECH OF

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 12, 1998

Mr. LIPINSKI. Mr. Speaker, I rise today in strong opposition to H. Con. Res. 350.

This resolution, while drafted with the best intentions, falls far too short. It completely misses the mark. Foreign nations are illegally dumping their cheap steel in our market, and with this resolution, what is the U.S. going to do? With this non-binding resolution, we're only asking the Administration to go and consult. We're not even telling them. We're asking if they could please go and consult with Japan, Taiwan, South Korea, Russia, Europe, and so forth. Consult? Under this Administration, under the Republican controlled Congress, we've been consulting for years. How much longer do we have to consult? How many more reports do we have to look at? How much longer should workers in Illinois and across this nation suffer? How many more good-paying jobs in the steel industry do we have to lose? How long do we have to wait?

With this resolution, we might as well wait. Let us continue to wait as American workers see their paychecks shrink. Let us continue to wait as the U.S. steel industry closes more plants and factories. Let us continue to wait for more consultations and more reports that tell us what we already know. Let us continue to wait as American workers wind up on the unemployment lines. Let us continue to wait as more and more families file for bankruptcies.

Mr. Speaker, we can talk all we want, but if our talk isn't backed up with action, foreign nations will see all the talk as hot air, and unfortunately, that is what has happened. Instead of hot air, let's back up our words with trade sanctions. Instead of a non-binding resolution, why not pass a law that directs the President to take a stronger stand against cheap imports and unfair competition?

Since I've been a Member of this body, I have always advocated a simple philosophy. If you don't let us sell American products in your market, we won't let you sell your products in ours. But instead of fighting for American workers and American industry, this Administration and free trade advocates continue to bend over backwards to let foreign competitors flood our markets with cheap products while putting up protectionist barriers around their markets. How is that free trade? Let us not kid ourselves any longer. We do no live in a world of free trade. We live in a global economy of special interests. Our special interests should be American workers, but our trade policies don't reflect that.

Mr. Speaker, I urge all my colleagues to vote against this empty resolution. This resolution is watered-down, toothless, and ineffective. A yes vote for this is pure political posturing and does nothing for the U.S. steel industry. We don't need more talk. We need the force of law, and this toothless resolution isn't it.

SENSE OF CONGRESS REGARDING FORMER SOVIET UNION'S REPRESSIVE POLICIES TOWARD UKRAINIAN PEOPLE

SPEECH OF

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 10, 1998

Mr. HINCHEY. Mr. Speaker, this fall marks the 65th anniversary of the Ukrainian famine, or more precisely, of the world's recognition of the famine that had been developing in Ukraine for two years. We have seen many horrors in this century of civilization. The holocaust in Germany and Central Europe in World War II was the most shocking and has justifiably attracted the most recognition. But it was by no means the only incident of diabolic mass slaughter. We have seen the slaughter of Armenians in the early years of the century, the massacre of Cambodians by their own leaders, and most recently the horrors in Rwanda and Bosnia.

We should not allow the abundance of horrors to dull our senses or to allow us to forget any of these terrible incidents. We must remember that the instruments and techniques we have developed in this century can be used against any people in any country, no matter how advanced or supposedly civilized.

As a Ukrainian-American I wish to call the attention of the House and the American people to the crimes against my family's people. Ukraine is the most fertile farmland of Europe, long called the breadbasket of the continent. Yet millions of Ukrainians—perhaps as many as 10 million, we will never have an exact figure—starved to death in the midst of plenty in the early 1930's. They starved because Stalin decided that traditional farming in the Ukraine would stop, and with the power of the Soviet state, he was able to make it stop. If people did not conform to his will, he would see to it that they had no food to eat, no seeds to plant. The wheat that was harvested was sold at cheap prices on world markets. Protests around the world did not stop the famine; instead, the markets found ways to profit from it and conduct business as usual.

In this respect and others, the Ukrainian famine resembled the great Irish famine of the nineteenth century, when the British government allowed people to starve by the millions rather than interfere with grain markets. I am an Irish-American too, and many of us in this chamber are descended from the people who fled that famine.

The Ukrainian famine did not end until Stalin had gotten his way and subjugated the Ukrainian people. They still suffer today from the consequences of his actions: they have never been able to fully rebuild the agricultural economy that had once made Ukraine the envy of the region. I believe they will rebuild it, hopefully with our help.

But let us learn from the horrors they endured. Let us commit ourselves to the principle that people should always come first, that no one should be allowed to starve. Let us apply that lesson at home, and pledge that no one should go hungry in our prosperous country because of the strictures of ideology or because of the discipline of the market. Let us commit ourselves to opposing oppression around the world, when oppression leads to genocide and death, whether the tools of that oppression are overly violent, or whether they are the subtler but no less cruel tools of deliberate starvation, deliberate hunger, deliberate poverty. Let us remember that all people are our brothers and sisters.

PERSONAL EXPLANATION

HON. CAROLYN C. KILPATRICK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. KILPATRICK. Mr. Speaker, due to a death in my family, I was unable to record my vote on several measures. Had I been present, I would have voted ''aye'' on final passage of H. Res. 494, Commending the Loyalty of the U.S. Citizens of Guam; ''aye'' on final passage of S. 1364, Federal Reports Elimination Act; ''aye'' on final passage of H.R. 4756, Ensuring that the U.S. is Prepared for the Year 2000 Computer Problem; and ''aye'' on final passage of S. 1754, Health Professions Education Partnerships Act. I appreciate being granted a leave of absence, and thank the Speaker for having my remarks appear at the appropriate place in the CONGRESSIONAL RECORD.

TRIBUTE TO REVEREND LYNN HAGEMAN

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. RANGEL. Mr. Speaker, I rise today to pay tribute to an extraordinary human being and a man who made an enormous contribution to the lives of the people of East Harlem,

New York City and State, and the United States, the Reverend Lynn LeRoy Hageman. Reverend Hageman, who died last Saturday evening at the age of 67, was known in New York, the United States and around the world as a pioneer in the area of addict rehabilitation for his integrated, comprehensive approach to helping drug addicts.

Reverend Hageman was born in 1931 in Lincoln, Nebraska. In 1956, he received a Bachelor of Divinity from the University of Chicago. Upon graduation, he worked with children in the Department of Welfare in Chicago and at St. Mark's Episcopal Church in Chicago, the site of the first church-centered program for addict rehabilitation.

In 1959, he moved with his wife Leola and their three children, Erika, Hans and Ivan, to East Harlem, where he began serving as an Evangelical United Brethren minister at the East Harlem Protestant Parish. In 1963, he founded an experimental narcotics program at Exodus House on 103rd Street, between Second Avenue and Third Avenue. There, Reverend Hageman developed a step-by-step approach to rehabilitation, involving total abstinence, spiritual guidance, group therapy and artisan training. The program served thousands of addicts with exceptional rates of success.

As a result of his work, Reverend Hageman served on the Mayor's Committee on Narcotics Addiction and frequently appeared in professional journals, newspapers and on television. Reverend Hageman was an active participant in the fight for civil rights and spent time in an Albany, Georgia jail with Reverend Martin Luther King, Jr. Even as he was carrying on his work, Reverend Hageman received a Doctor of Ministry from Drew Theological Seminary in 1976.

Reverend Hageman was a man of rare courage, intelligence and dedication, whose energy, creativity and perseverance were without limit. His legacy is simple and powerful: he worked tirelessly to improve the lives of others, particularly those women and men who were working to overcome drug addiction. He helped thousands, but approached each as an individual, one by one, step by step.

His legacy is also very much alive and can serve as an inspiration to all of us. It is alive in the lives of the thousands of individuals he was able to help, and who are living more fulfilling and productive lives today. It is also alive at Exodus House on 103rd Street. After Reverend Hageman suffered a stroke in 1981, and was unable to carry on his work as fully, his wife Leola reinvented Exodus House as an after-school program for the children of drug addicts. In 1991, his two sons, Hans and Ivan, transformed Exodus House into the East Harlem School, a highly successful middle-school now in its seventh year of operation.

Mr. Speaker, the people of the 15th Congressional District, the City of New York and the United States owe Reverend Lynn Hageman a great debt of gratitude for his exceptional life of service to others. Through his work and energy and courage, his warmth and wonderful sense of humor, he was an enormous presence in our community. He will be sorely missed.

CHILD PROTECTION AND SEXUAL PREDATOR PUNISHMENT ACT OF 1998

SPEECH OF

HON. ROBERT E. (BUD) CRAMER, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 12, 1998

Mr. CRAMER. Mr. Speaker, I rise today in support of passage of the Senate Amendments to H.R. 3494, the Child Protection and Sexual Predator Punishment Act. As a former District Attorney and founder of the National Children's Advocacy Center, I can state, without a doubt, that this legislation will make a positive impact on the lives of children across this nation.

This bill will protect children from Internet-based sex crimes and toughen punishments for sexual predators. It will crack down on the criminals who prey on our kids.

The Internet has opened up new ways for sexual predators to get access to our children, and we have to take serious measures to stop these criminals and punish them. The bill makes it a federal crime to use the Internet to contact a minor for illegal sexual activities such as rape, child sexual abuse, child prostitution, or statutory rape. Under this legislation, using the Internet to contact a minor for these kinds of sex crimes would result in a punishment of up to 5 years in prison. The bill also makes it a federal offense to use the Internet to knowingly send obscene material to a minor.

I am especially proud of the provision in the bill that would allow volunteer groups that serve children to perform background checks to make sure their volunteers have no record of crime against kids.

The bill gives groups like the Boys and Girls Clubs and Big Brothers-Big Sisters access to fingerprint checks to make sure their volunteers haven't been convicted of crimes against children, like child sex abuse. Most states, including Alabama, don't have laws to let volunteer groups do these kinds of background checks. For the sake of our children's safety, we have to change that, and that's what this bill is designed to do.

I appreciate the bipartisan approach to this legislation. In matters dealing with the safety of our children, it is important that we put politics aside and focus on solutions.

DIGITAL MILLENNIUM COPYRIGHT ACT

SPEECH OF

HON. TOM BLILEY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 12, 1998

Mr. BLILEY. Mr. Speaker, as Chairman of the Committee on Commerce, I want to make some additional comments. Specifically, given that the Conference Report contains several new provisions, I want to supplement the legislative history for this legislation to clarify the Conferees' intent, as well as make clear the constitutional bases for our action. Given the inherent page and time limitations of spelling everything out in a conference report, I wanted to share our perspective with our colleagues before they vote on this important legislation. Moreover, given the unfortunate proclivity of some in our society to file spurious lawsuits, I don't want there to be any misunderstanding about the scope of this legislation, especially the very limited scope of the device provisions in Title I and the very broad scope of the exceptions to section 1201(a)(1).

Throughout the 105th Congress, the Committee on Commerce has been engaged in a wide-ranging review of all the issues affecting the growth of electronic commerce. Exercising our jurisdiction under the commerce clause to the Constitution and under the applicable precedents of the House, our Committee has a long and well-established role in assessing the impact of possible changes in law on the use and the availability of the products and services that have made our information technology industry the envy of the world. We therefore paid particular attention to the impacts on electronic commerce of the bill produced by the Senate and our colleagues on the House Judiciary Committee.

Much like the agricultural and industrial revolutions that preceded it, the digital revolution has unleashed a wave of economic prosperity and job growth. Today, the U.S. information technology industry is developing exciting new products to enhance the lives of individuals throughout the world, and our telecommunications industry is developing new means of distributing information to these consumers in every part of the globe. In this environment, the development of new laws and regulations could well have a profound impact on the growth of electronic commerce.

Article 1, section 8, clause 8 of the United States Constitution authorizes the Congress to promulgate laws governing the scope of proprietary rights in, and use privileges with respect to, intangible ''works of authorship.'' As set forth in the Constitution, the fundamental goal is ''[t]o promote the Progress of Science and useful Arts. . . .'' In the more than 200 years since enactment of the first federal copyright law in 1790, the maintenance of this balance has contributed significantly to the growth of markets for works of the imagination as well as the industries that enable the public to have access to and enjoy such works.

Congress has historically advanced this constitutional objective by regulating the use of information—not the devices or means by which the information is delivered or used by information consumers—and by ensuring an appropriate balance between the interests of copyright owners and information users. Section 106 of the Copyright Act of 1976, 17 U.S.C. 106, for example, establishes certain rights copyright owners have in their works, including limitations on the use of these works without their authorization. Sections 107 through 121 of the Copyright Act, 17 U.S.C. 107–121, set forth the circumstances in which such uses will be deemed permissible or otherwise lawful even though unauthorized. In general, all of these provisions are technology neutral. They do not regulate commerce in information technology. Instead, they prohibit certain actions and create exceptions to permit certain conduct deemed to be in the greater public interest, all in a way that balances the interests of copyright owners and users of copyrighted works.

As proposed by the Clinton Administration, however, the anti-circumvention provisions to

implement the WIPO treaties would have represented a radical departure from this tradition. In a September 16, 1997 letter to Congress, 62 distinguished law professors expressed their concern about the implications of regulating devices through proposed section 1201. They said in relevant part: ''[E]nactment of Section 1201 would represent an unprecedented departure into the zone of what might be called paracopyright—an uncharted new domain of legislative provisions designed to strengthen copyright protection by regulating conduct which traditionally has fallen outside the regulatory sphere of intellectual property law.''

The ramifications of such a fundamental shift in law would be quite significant. Under section 1201(a)(1) as proposed by the Administration, for example, a copyright owner could deny a person access to a work, even in situations that today would be perfectly lawful as a legitimate ''fair use'' of the work. In addition, under section 1201(b) as proposed by the Administration, a copyright owner could successfully block the manufacturing and sale of a device used to make fair use copies of copyrighted works, effectively overruling the Supreme Court's landmark decision in *Sony Corporation of America* v. *Universal Studios, Inc.,* 464 U.S. 417 (1984).

In the view of our Committee, there was no need to create such risks, including the risk that enactment of the bill could establish the legal framework that would inexorably create a ''pay-per-use'' society. The WIPO treaties permit considerable flexibility in the means by which they may be implemented. The texts agreed upon by the delegates to the December 1996 WIPO Diplomatic Conference specifically allow contracting states to ''carry forward and appropriately extend into the digital environment limitation and exceptions in their national laws which have been considered acceptable under the Berne Convention'' and to ''devise new exceptions and limitations that are appropriate in the digital network environment.''

Thus, the Committee endeavored to specify, with as much clarity as possible, how the anti-circumvention right, established in title 17 but outside of the Copyright Act, would be qualified to maintain balance between the interests of content creators and information users. The Committee considered it particularly important to ensure that the concept of fair use remain firmly established in the law and that consumer electronics, telecommunications, computer, and other legitimate device manufacturers have the freedom to design new products without being subjected to the threat of litigation for making design decisions. The manner in which this balance has been achieved is spelled out in greater detail below.

In making our proposed recommendations, the Committee on Commerce acted under both the ''copyright'' clause and the commerce clause. Both the conduct and device provisions of section 1201 create new rights in addition to those which Congress is authorized to recognize under Article I, Section 8, Clause 8. As pointed out by the distinguished law professors quoted above, this legislation is really a ''paracopyright'' measure. In this respect, then, the constitutional basis for legislating is the commerce clause, not the ''copyright'' clause.

I might add that the terminology of ''fair use'' is often used in reference to a range of consumer interests in copyright law. In connection with the enactment of a ''paracopyright'' regime, consumers also have an important related interest in continued access, on reasonable terms, to information governed by such a regime. Protecting that interest, however denominated, also falls squarely within the core jurisdiction of our Committee.

We thus were pleased to see that the conference report essentially adopts the approach recommended by our Committee with respect to section 1201. Let me describe some of the most important features of Title I.

Section 1201(a)(1), in lieu of a new statutory prohibition against the act of circumvention, creates a rulemaking proceeding intended to ensure that persons (including institutions) will continue to be able to get access to copyrighted works in the future. Given the overall concern of the Committee that the Administration's original proposal created the potential for the development of a ''pay-per-use'' society, we felt strongly about the need to establish a mechanism that would ensure that libraries, universities, and consumers generally would continue to be able to exercise their fair use rights and the other exceptions that have ensured access to works. Like many of my colleagues in the House, I feel it will be particularly important for this provision to be interpreted to allow individuals and institutions the greatest access to the greatest number of works, so that they will be able to continue exercising their traditional fair use and other rights to information.

Under section 1201(a)(1)(C), the Librarian of Congress must make certain determinations based on the recommendation of the Register of Copyrights, who must consult with the Assistant Secretary of Commerce for Communications and Information before making any such recommendations, which must be made on the record. As Chairman of the Committee on Commerce, I felt very strongly about ensuring that the Assistant Secretary would have a substantial and meaningful role in making fair use and related decisions, and that his or her views would be made a part of the record. Given the increasingly important role that new communications devices will have in delivering information to consumers, I consider it vital for the Register to consult closely with the Assistant Secretary to understand the impact of these new technologies on the availability of works to information consumers and to institutions such as libraries and universities. As the hearing record demonstrates, I and many of my colleagues are deeply troubled by the prospect that this legislation could be used to create a ''pay-per-use'' society. We rejected the Administration's original proposed legislation in large part because of our concern that it would have established a legal framework for copyright owners to exploit at the expense of ordinary information consumers. By insisting on a meaningful role for the Assistant Secretary and by ensuring that a court would have an opportunity to assess a full record, we believe we have established an appropriate environment in which the fair use interests of society at large can be properly addressed.

Sections 1201(a)(2) and (b)(1) make it illegal to manufacture, import, offer to the public, provide, or otherwise traffic in so-called ''black boxes''—devices with no substantial non-infringing uses that are expressly intended to facilitate circumvention of technological measures for purposes of gaining access to or making a copy of a work. These provisions are not aimed at widely used staple articles of commerce, such as the consumer electronics, telecommunications, and computer products—including videocassette recorders, telecommunications switches, personal computers, and servers—used by businesses and consumers everyday for perfectly legitimate purposes.

Section 1201(a)(3) defines ''circumvent a technological protection measure,'' and when a technological protection measure ''effectively controls access to a work.'' As reported by the Committee on the Judiciary, the bill did not contain a definition of ''technological protection measure.'' The Committee on Commerce was concerned that the lack of such a definition could put device and software developers, as well as ordinary consumers, in an untenable position: the bill would command respect for technological measures, but without giving them any guidance about what measures they were potentially prohibited from circumventing. Given that manufacturers could be subject to potential civil and criminal penalties, the Committee felt it was particularly important to state in our report that those measures that would be deemed to effectively control access to a work would be those based on encryption, scrambling, authentication, or some other measures which requires the use of a ''key'' provided by a copyright owner to gain access to a work. Measures that do not meet these criteria would not be covered by the legislation, and thus the circumvention of them would not provide a basis for liability.

Section 1201(b)(2) similarly defines ''circumvent protection afforded by a technological measure,'' and when a technological measure ''effectively protects a right of a copyright owner under title 17, United States Code.'' In our Committee report and in my own floor statement accompanying passage of the original House bill, I felt it was important to stress in this context as well those measures that would be deemed to effectively control copying of a work would be those based on encryption, scrambling, authentication, or some other measure which requires the use of a ''key'' provided by a copyright owner. The inclusion in the conference report of a separate new provision dealing with the required response of certain analog videocassette recorders to specific analog copy protection measures extends this scope, but in a singular, well-understood, and carefully defined context.

Section 1201(c)(3) provides that nothing in section 1201 requires that the design of, or design and selection of parts and components for, a consumer electronics, telecommunications, or computer product provide for a response to any particular technological measure, so long as the device does not otherwise violate section 1201. With the strong recommendation of my Committee, the House had deleted the ''so long as'' clause as unnecessary and potentially circular in meaning. However, with the addition by the conferees of new subsection (k), which mandates a response by certain devices to certain analog protection measures, the ''so long as'' clause of the original Senate bill finally had a single, simple, and clear antecedent, and thus was acceptable to me and my fellow House conferees.

If history is a guide, someone may yet try to use this bill as a basis for filing a lawsuit to stop legitimate new products from coming to market. It was the Committee's strong belief—

a view generally shared by the conferees—that product manufacturers should remain free to design and produce consumer electronics, telecommunications, and computing products without the threat of incurring liability for their design decisions. Imposing design requirements on product and component manufacturers would have a dampening effect on innovation, on the research and development of new products, and hence on the growth of electronic commerce.

The Committee on Commerce recognized that it is important to balance the interest in protecting copyrighted works through the use of technological measures with the interest in allowing manufacturers to design their products to respond to consumer needs and desires. Had the bill been read to require that products respond to any technological protection measure that any copyright owner chose to deploy, manufacturers would have been confronted with difficult, perhaps even impossible, design choices, with the result that the availability of new products with new product features could have been restricted. They might have been forced to choose, for example, between implementing two mutually incompatible technological measures. In striking a balance between the interests of product manufacturers and content owners, the Committee believed that it was inappropriate and technologically infeasible to require products to respond to all technological protection measures. For that reason, it included the ''no mandate'' provision in the form of section 1201(c)(3). As a result of this change, it was the Committee's strongly held view that the bill should not serve as a basis for attacking the manufacture, importation, or sale of staple articles of commerce with commercially significant non-infringing uses, but it would provide content owners with a powerful new tool to attack black boxes. Except for the one recognition in the conference report of the balanced requirements of section 1201(k) as ''otherwise'' imposing certain obligations, this provision remains unchanged from the House bill.

Based on prior experience and the extensive hearing record, the Committee also was concerned that new technological measures and systems for preserving copyright management information might cause ''playability'' problems. For example, the Committee learned that, as initially proposed, a proprietary copy protection scheme that is today widely used to protect analog motion pictures could have caused significant viewability problems, including noticeable artifacts, with certain television sets until it was modified with the cooperation of the consumer electronics industry. Concerns were expressed that H.R. 2281 could be interpreted to require consumer electronics manufacturers to design their devices not only so that they would have to respond to such similarly flawed schemes, but also that they, and others, would be prevented by the proscriptions in the bill from taking necessary steps to fix such problems.

As advances in technology occur, consumers will enjoy additional benefits if devices are able to interact, and share information. Achieving interoperability in the consumer electronics environment will be a critical factor in the growth of electronic commerce. Companies are already designing operating systems and networks that connect devices in the home and workplace. In the Committee's view, manufacturers, consumers, retailers, and professional servicers should not be prevented from correcting an interoperability problem or other adverse effect resulting from a technological measure causing one or more devices in the home or in a business to fail to interoperate with other technologies. Given the multiplicity of ways in which products will interoperate, it seems probable that some technological measures or copyright management information systems might cause playability problems.

To encourage the affected industries to work together with the goal of avoiding potential playability problems in advance to the extent possible, the Committee emphasized in its report and I made clear in my floor statement that a manufacturer of a product or device (to which 1201 would otherwise apply) may lawfully design or modify the product or device to the extent necessary to mitigate a frequently occurring and noticeable adverse effect on the authorized performance or display of a work that is caused by a technological measure in the ordinary course of its design and operation. Similarly, recognizing that a technological measure may cause a playability problem with a particular device, or combination of devices, used by a consumer, the Committee also emphasized that a retailer, professional servicer, or individual consumer lawfully could modify a product or device solely to the extent necessary to mitigate a playability problem caused by a technological measure in the ordinary course of its design and operation. The conferees made clear in their report that they shared these views on playability.

In this connection, the Committee on Commerce emphasized its hope that the affected industries would work together to avoid such playability problems to the extent possible. We know that multi-industry efforts to develop copy control technologies that are both effective and avoid such noticeable and recurring adverse effects have been underway over the past two years. The Committee strongly encouraged the continuation of those efforts, which it views as offering substantial benefits to copyright owners in whose interest it is to achieve the introduction of effective technological protection measures and, where appropriate, copyright management information technologies that do not interfere with the normal operations of affected products.

I was particularly pleased that the Senate conferees shared our Committee's assessment of the importance of addressing the playability issue and of encouraging all interested parties to strive to work together through a consultative approach before new technological measures are introduced in the market. As the conferees pointed out, one of the benefits of such consultation is to allow the testing of proposed technologies to determine whether they create playability problems on the ordinary performance of playback and display equipment, and to thus be able to take steps to eliminate or substantially mitigate such adverse effects before new technologies are introduced. As the conferees recognized, however, persons may choose to implement a new technology without vetting it through an inter-industry consultative process, or without regard to the input of the affected parties. That would be unfortunate.

In any event, however a new protection technology or new copyright management information technology comes to market, the conferees recognized that the technology might materially degrade or otherwise cause recurring appreciable adverse effects on the authorized performance or display of works. Thus, with our Committee's encouragement, the conferees explicitly stated that makers or servicers of consumer electronics, telecommunications, or computing products who took steps solely to mitigate a playability problem (whether or not taken in combination with other lawful product modifications) shall not be deemed to have violated either section 1201(a) or section 1201(b). Without giving them that absolute assurance, we felt that the introduction of new products into the market might be stifled, or that consumers might find it more difficult to get popular legitimate products repaired.

I want to add, however, that we shared the concern of our fellow conferees that this construction was not meant to afford manufacturers or servicers an opportunity to give persons unauthorized access to protected content or to usurp the rights under the Copyright Act—not title 17 generally—of copyright owners in such works under the guise of ''correcting'' a playability problem. Nor was it our intent to give the unscrupulous carte blanche to convert legitimate products into black boxes under the guise of fixing an ostensible playability problem for a consumer.

Moreover, with respect copyright management information, the conferees also made it explicit that persons may make product adjustments to eliminate playability problems without incurring lability under section 1202 as long as they are not inducing, enabling, facilitating, or concealing usurpation of rights of copyright owners under the Copyright Act.

Section 1201(k) requires that certain analog recording devices respond to two forms of copy control technology that are in wide use in the market today. Neither employees encryption or scrambling of the content being protected, but they have been subject to extensive multi-industry consultations, testing, and analysis. With respect to this provision, I think it is important to stress four points. First, these analog-based technologies do not create ''playability'' problems on normal consumer electronics products. Second, the intellectual property necessary for the operation of these technologies will be available on reasonable and non-discriminatory terms. Third, we specifically excluded from the scope of the provision professional analog videocassette recorders, which the motion picture, broadcasting, and other legitimate industries and individual businesses use today in, and will continue to need for, their normal, lawful business operations. And finally, and most importantly, we have established very definitive ''encoding rules'' to ensure that we have preserved longstanding and well-established consumer home taping practices.

As Chairman of the Committee on Commerce, which has jurisdiction over such communications matters as the distribution of free and subscription television programming, I think it is important to stress that the encoding rules represent a careful balancing of interests. Although copyright owners may use these technologies to prevent the making of a viewable copy of a pay-per-view, near video on demand, or video on demand transmission or prerecorded tape or disc containing a motion picture, they may not use such encoding to limit or preclude consumers from making analog copies of programming offered through other channels or services. Thus, in addition

to traditional over-the-air broadcasts, basic and extended tiers or programming services, whether provided through cable or other wireline, satellite, or future over-the-air terrestrial systems, may not be encoded with these technologies at all. In addition, copyright owners may only utilize these technologies to prevent the making of a ''second generation'' copy of an original transmission provided through a pay television service.

Given that copyright owners may not use these technologies to deprive consumers of their right to copy from pay television programming, the distinction between pay-per-view and pay television services is critical. Where a member of the public affirmatively selects a particular program or a specified group of programs and then pays a fee that is separate from subscription or other fees, the program offering is pay-per-view. Where, however, consumers subscribe to or pay for programming that the programmer selects, whether it be one or more discrete programs, or a month's worth of programming, then that package itself is a pay television service, even if it represents only a portion of the programming that might be available for purchase on the programmer's channel.

In short, with the conferees essentially having endorsed the approach of the Committee on Commerce to WIPO implementing legislation, we have produced a bill that should help spur creativity by content providers without stifling the growth of new technology. In fact, with a clear set of rules established for both analog and digital devices, product designers should enjoy the freedom to innovate and bring ever-more exciting new products to market.

I think we have struck fair and reasonable compromises, and have produced a bill of appropriate scope and balance. I urge my colleagues to support the conference report.

WHY THE JOINT COMMISSION ON ACCREDITING HEALTHCARE ORGANIZATIONS (JCAHO) MUST DO BETTER

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. STARK. Mr. Speaker, we need to take immediate action to make JCAHO accountable to the public. The Administration's July 1, 1998 report on nursing home quality [''Private Accreditation (Deeming) of Nursing Homes, Regulatory Incentives, and Non-Regulatory Initiatives, and Effectiveness of the Survey and Certification System''] shows that the nation's premier, private health accrediting organization—the Joint Commission on Accrediting Healthcare Organizations needs to do a much better job of protecting Medicare patients and dollars. Before JCAHO extends its accrediting activities to other areas—such as hospice agencies where it is applying to be an accrediting organization—it needs to prove it can do its current job of inspecting nursing homes and hospitals.

As I said in my opening remarks to the Ways and Means Health Subcommittee on July 1, 1990, ''Validating the JCAHO status is critical given that HCFA, through a process termed 'deemed Status' relies on JCAHO to assure that most hospitals are providing quality health services to Medicare beneficiaries. If a hospital (or now other health care facility) is accredited by JCAHO, it is deemed to meet the Medicare conditions of participation.'' We found many problems eight years ago and many still continue, which would indicate a fundamental problem with JCAHO culture caused, I believe, by the system of financing JCAHO inspections. This is why I have introduced H.R. 800 to increase public access to and influence on JCAHO.

H.R. 800 will require that one-third of the members of the governing boards of Medicare-accrediting agencies are members of the public. JCAHO currently claims to have 6 public members on its board. In fact, a recent appointee to one of the scarce public seats, is also a director of the second-largest investor-owned hospital company. This recent appointment is just one example of the conflict of interest rampant in JCAHO's operating procedures. My bill also outlines a definition of ''members of the public'' to prevent similar appointments in the future.

On July 1, 1998, HCFA issued a Report to Congress entitled, ''Study of Private Accreditation (Deeming) of Nursing Homes, Regulatory Incentives, and Effectiveness of the Survey and Certification System''. This damning report detailed numerous deficiencies in JCAHO's current inspection system. To extend JCAHO's deeming to hospice care would permit an inadequate program greater authority.

JCAHO recently announced its intention to expand its scope of inspection to include hospice facilities. JCAHO currently surveys nursing homes, hospitals, and other health providers. But according to a recent HCFA/Abt study, JCAHO is unable to effectively administer surveys, identify problems, and implement problem correction policies. Allowing an organization riddled with problems further authority would be a terrible mistake.

JCAHO accredits health care facilities at the facilities' request. The federal government recognizes JCAHO hospital and home health agency accreditation as equivalent to meeting its Medicare Conditions of Participation.

According to the recent HCFA/Abt report to Congress, JCAHO has to make drastic changes to meet the basic Medicare requirements. JCAHO continues to deem facilities Medicare eligible, when in fact these facilities do not meet Medicare standards. Facilities that want to be accredited pay JCAHO to survey their site. Allowing JCAHO to accredit facilities that pay for surveys represent a conflict of interest. JCAHO's lack of objectivity plagues the current accreditation process.

Furthermore, JCAHO accreditation does not meet current Medicare guidelines for allowing facilities to participate in the program. The most serious allegation against JCAHO is that it overlooks regulatory infractions at the expense of patients for example: One nursing home administrator responded to questions about JCAHO's procedures with the following. ''They (JCAHO) are big into policies and procedures * * * they are more interested in quality improvement and assessment than problem correction.''[1]

Lack of problem correction is of special concern given the nature of nursing home residents. This population is one of the most vulnerable parts of the health care population, with 48 percent of nursing home patients suffering from some form of dementia.

JCAHO is unable to effectively accredit private nursing homes, and thus should not be allowed to additionally accredit hospice facilities until its inspection system is improved. The results of empirical studies included in the Study demonstrate the need for overhaul of the current regulatory system.

While the medicare system may benefit from reduced regulatory costs by using JCAHO, the savings do not outweigh the risk of severe deficiencies in care. Although deeming may save Medicare $2 to $37 million a year by private accreditation, JCAHO surveyors often miss serious deficiencies, which in some cases may even result in unjustified deaths. We must not sacrifice the welfare of the most vulnerable for minimal financial gains.

JCAHO does not effectively administrate regulatory surveys. The timing of JCAHO surveys was easy for nursing home administrators to predict. Surveys were never conducted at night or on the weekends. Thus once a provider paid JCAHO to accredit the facility they could hypothetically increase staff levels on only Monday and Tuesday day shifts in anticipation of a pending survey.

Furthermore, the current system fails miserably to identify problems. The Incidence of serious deficiencies found decreased with the implementation of the new accreditation program. The new process may also tend to identify deficiencies as less serious than they actually are.

Flaws in the problem identification system are evidenced by the fact that simultaneous public accreditation found more serious deficiencies than JCAHO did. More importantly, the current system under-addresses malnutrition and violence problems. Currently nursing home aides are not required to undergo criminal background checks. Furthermore some employers seek out recent parolees knowing that these employees will work for a lower salary. JCAHO fails to detect inadequate and even fraudulent staff training practices: Frequently reported actions to provide in-staff training to staff result in no evidence on quality and content. Very high staff turnover suggests that the staff is not benefitting from the required training. In one case, workers were asked to sign an attendance sheet for an in-staff training session they never attended.[2]

HCFA standards are generally more stringent than JCAHO standards. JCAHO surveyors seem to miss serious deficiencies that HCFA surveyors frequently identify. JCAHO standards are heavily weighted toward structure and process measures, while HCFA standards have a more resident-centered and outcome-oriented focus.

The JCAHO accreditation and HCFA validation inspections differed widely in their approach as well. JCAHO surveyors spent little time assessing quality of life issues or observing clinical treatments. JCAHO surveyors also spent little time observing clinical care or with residents, and those residents who JCAHO surveyors did interview were often pre-selected by nursing home staff.[3]

In the Report to Congress HCFA said that JCAHO lacked the ability to enforce findings

[1] Pp. 617–618 ''Study of Private Accreditation of (Deeming) of Nursing Homes, Regulatory Incentives and Non-Regulatory Initiatives, and Effectiveness of the Survey and Certification'', Health Care Financing Administration. July 1, 1998.

[2] Pg. xii, Executive Summary; Study: HCFA

[3] Pg. 18, Vol. I Study: Health Care Financing Administration

and to regulate nursing home care: Some Nursing homes need the punitive threat of review and enforcement to secure improvements. The current system has not worked as well as it should to eliminate poor quality nursing care.[4]

The Study concludes that JCAHO is not adequately ensuring quality nursing care. The potential cost savings of deeming does not appear to justify the risk to the health and safety of the vulnerable nursing home population.

Although the study also found problems with the HCFA survey procedures, these concerns pale in comparison to the inadequacies of JCAHO survey procedures.

The result of this study raise alarming concerns about the quality of nursing care in the nations nursing homes. JCAHO has proven itself unable to identify with facilities are providing substandard care and to implement programs which will correct these problems. JCAHO should not be allowed to accredit hospice facilities until we are sure fundamental changes in JCAHO's system of inspections are in place. The federal government has a responsibility to reevaluate the current deeming system to protect its most vulnerable citizens.

INTERNATIONAL RELIGIOUS FREEDOM ACT OF 1998

SPEECH OF

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 10, 1998

Mr. MORAN of Virginia. Mr. Speaker, I was among those who voted against this bill when it came before us earlier this year. I did so primarily because I was concerned that the sanctions in the bill would have adverse impact on our ability to combat religious persecution and other abuses of human rights across the globe.

I am pleased that this bill has been amended to address these concerns and I now fully support this legislation. The sanctioning mechanism now gives the Administration a wide array of powerful tools with which to combat persecution. It also provides the flexibility necessary to ensure that our efforts to combat religious persecution do not harm our programs to combat other serious human rights abuses such as forced labor and prostitution, slavery, and female infanticide.

I commend my colleague, Mr. Wolf, for his tireless work on this important issue and urge my colleagues to support this critically important bill.

RECOGNIZING THE ACCOMPLISHMENTS OF INSPECTORS GENERAL

SPEECH OF

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 10, 1998

Mr. BURTON of Indiana. Mr. Speaker, as Chairman of the Committee on Government Reform and Oversight, responsible for overseeing the economy and efficiency of the federal government, I rise to recognize our Federal Inspectors General, who in the twenty years since their inception, have been a critical asset in the war against waste, fraud and abuse in our Federal Government.

Twenty years ago this month, the Government Reform and Oversight Committee worked to establish Inspectors General in the largest executive agencies. Today, the Inspector General Act of 1978 provides for Inspectors in 27 major agencies and in 30 of our smaller Federal agencies.

Inspectors General were established to correct deficiencies in the way Government agencies addressed performance problems: deficiencies in organizational structure which placed audit and investigative units under the supervision of the officials whose programs they were to examine; deficiencies in procedures which allowed agency officials to intervene in audits and investigations; and deficiencies in amount of resources devoted to preventing and detecting waste, fraud, and abuse.

In addition to their original duties of conducting audits and investigations under the 1978 Act, IGS are playing key roles under recent management reform laws that were enacted to address financial and programmatic problems within agencies. Among them, the Chief Financial Officers Act and the Government Performance and Results Act. The IGS hard work with regard to these laws enables agencies and the Congress to further address serious management and financial problems, making our government more efficient, more effective, and less costly.

Not only the Government Reform and Oversight Committee, but the entire Congress has come to rely heavily on the critical work of the Inspectors General. Their audits and inspections help root out serious problems in Federal programs and bring them into the light of day, saving taxpayers billions of dollars every year. The following statistics compiled by the Presidents' Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) illustrate the impact of IGS. In Fiscal Year 1997, IG audits and inspections identified a total of $25 billion in funds that could be put to better use; more than 15,000 individuals and businesses were successfully prosecuted; restitutions and investigative recoveries resulting from IG investigations returned $3 billion to the Government; and more than 6,000 individuals or firms were disqualified from doing business with the Federal Government.

Mr. chairman, American taxpayers deserve no less from us than to provide the utmost accountability for their hard-earned money. On this, the eve of the twentieth year anniversary of the Inspector General Act of 1978, I salute our Inspectors General and thank them for their extremely important work on behalf of the American taxpayers.

I urge my colleagues to support S.J. Res. 58 and join me in recognizing and thanking our Federal Inspectors General.

BACKGROUND—INSPECTOR GENERAL ACT OF 1978

Concept of inspector general dates back to the Revolutionary War when the Continental Congress appointed an Inspector General to audit expenditures by General Washington's army.

In 1976, Congress established the first statutory Inspector General in the Department of Health, Education and Welfare.

All cabinet level Departments and most major Executive Branch agencies now have a statutory Inspector General. There are 27 Presidentially appointed Inspectors General required by the Inspector General Act of 1978 as amended (including the new IG for Tax Administration which will not be formally established until January 1999). Additionally, the Inspector General Act establishes 30 Inspectors General in other Federal agencies who are appointed by the head of their agency.

CHRONOLOGY

H.R. 8588 was introduced in the 95th Congress by Congressman L.H. Fountain.

August 5, 1977: Reported by the House Committee on Government Operations by an unanimous vote.

April 18, 1978: Passed House of Representatives by a vote of 388 to 6.

August 8, 1978: Reported by Senate Committee on Governmental Affairs by a vote of 9 to 0.

September 22, 1978: Passed Senate by voice vote.

October 12, 1978: Signed into law (Public Law 95–452).

PURPOSE

The original Act established Inspectors General in six Executive Branch Departments and six government agencies.

To conduct and supervise audits and investigations relating to government programs and operations.

To provide leadership and coordination and recommend policies for activities designed to:

(a) promote economy, efficiency and effectiveness in the administration of government programs and operations.

(b) prevent and detect fraud and abuse in government programs and operations.

To provide a means for keeping the heads of Departments and agencies and the Congress informed about:

(a) problems and deficiencies relating to the administration of government programs.

(b) the necessity for and progress of corrective actions.

NEED FOR LEGISLATION (FROM REPORT OF THE SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS, S. REPT. 95–1071)

Failure by the Federal Government to make sufficient and effective efforts to prevent and detect fraud, waste and mismanagement in Federal programs and expenditures.

A lack of resources dedicated to prevent and detect fraud, waste and abuse. Audit cycles of up to 20 years in some agencies before all activities would be audited.

The lack of independence of many audit and investigative operations in the Executive Branch. Auditors and investigators must report to and are under the supervision of officials whose programs they are reviewing.

ACCOMPLISHMENTS

During Fiscal Year 1997: IG Audits identified $25 billion in funds that could be put to better use; returned to the Government $3 billion in restitution and investigative recoveries; more than 15,000 successful criminal prosecutions; over 6,000 debarments, exclusions and suspensions of firms or individuals doing business with the Government.

[4] Pg. 13 Vol. I ''Study: Health Care Financing Administration July 1, 1998

AUTHORIZING THE COMMITTEE ON THE JUDICIARY TO INVESTIGATE WHETHER SUFFICIENT GROUND EXIST FOR THE IMPEACHMENT OF WILLIAM JEFFERSON CLINTON, PRESIDENT OF THE UNITED STATES

SPEECH OF

HON. JOHN F. TIERNEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Mr. TIERNEY. Mr. Speaker, we should not be here today in the position where we are being asked by the Majority to embark upon an impeachment inquiry unlimited in scope and unlimited in time.

On September 11, 1998, this body referred to the Committee on the Judiciary the responsibility to review the communication received on September 9, 1998, from the Independent Counsel; to determine whether sufficient grounds existed to recommend to the House that an impeachment inquiry be commenced. Nothing in that Resolution directed the Committee on the Judiciary to recommend to the House that an impeachment inquiry on matters extraneous to that September 9, 1998 communication be pursued. In fact, the Independent Counsel indicated that, in his view, as soon as information came to his attention which he believed necessitated a referral to the House, it was his duty (in his mind) to make that referral immediately. By inference, then, we can assume that after four years of investigations and over $40 million in expenditures of public funds, there was no other referral forthcoming on any other matter.

Further, Mr. Speaker, the appropriate order of business for the Committee on the Judiciary, if it was to make a recommendation, would be to first, define the standard of what constitutes an impeachable offense. Then, secondly, the Committee should have measured the narrative of the Independent Counsel against that standard. Only then could the Committee properly determine whether or not to recommend that an impeachment inquiry be commenced. That was not done, despite the four weeks that have passed since the House sent the matter to the Committee on the Judiciary.

The American people want this matter resolved. They want this matter resolved fairly and promptly. They have important issues demanding consideration—educating their children within an invigorated and innovative public education system; they need sufficient health coverage for all members of their family; they need job security; they need assurance that people moving from welfare to work, folks going from school to work, and workers displaced who need to go back to work, are adequately trained and educated to be able to support their families well above the poverty line; and, they need retirement security. These are all matters foremost on their minds. The American people know we must deal with these serious issues, but believe the last four weeks have produced little, except clear partisanship and a seeming unending willingness by the Majority to put salacious material before our children and the American public—unnecessarily.

Despite the comments of the Chairman of the Committee on the Judiciary—that he hopes to end this inquiry before the end of the year, and hopes it will not be expanded in scope—the reaction of the Majority side of the House, and statements by many of its Members, indicate that is not the prevailing desire or attitude. That is why it is important, at the very least, that we support the Democratic Motion to Recommit the matter to the Committee, and instruct the Committee to recommend an inquiry limited in scope and time, establish a standard of what constitutes an impeachable offense, and determine whether or not the narrative of the referral meets that standard.

Innumerable constitutional scholars and experts have already given their opinion that, even taken in the light most unfavorable to the President's position, the assertions in the Independent Counsel's narrative do not raise to the threshold of an impeachable offense, as defined by our founding fathers, and which has, by history and precedence, been established. If, in fact, that threshold is not met, then we owe it to the American people to determine just what action is appropriate to address the President's acknowledged personal misconduct. Perhaps more in line with the interests of the American public would be an alternative that allows us to vote and embark upon a process which sets about determining what action would be appropriate to address the President's conduct so that other business of Congress can be pursued.

This is not a parliamentary system, but a presidential system, Mr. Speaker. This should not be a system where the dominant legislative party can decide that a person running the country is a bad person and get rid of him. Persons holding themselves out as Speakers of this body have admitted not telling the truth in several venues, and have met a punishment short of being dispossessed of their elected position and have even, in at least one instance, been re-elected by the members of their political party to the austere position of Speaker of the House. Thus we know that other remedies are available.

Impeachment is really a remedy for the Republic. It is not intended as a personal punishment for a crime. Alexander Hamilton, in Federalist 65, made that assertion and, it is accurate. The Judiciary Committee should have been working this past month to determine whether or not the asserted conduct constituted an action undermining the Republic and/or the American people. The Committee was charged with the review of the communication received on September 9, 1998, and with determining if grounds exist for an inquiry. The Committee has not fulfilled that responsibility and it is now incumbent upon this body to recommit this Resolution so that any proceedings will be fair, limited in scope to the matters referred, and resolved quickly so that the public's business can receive the attention it deserves. The present Committee Resolution seeks to broaden and drag out this endless process. If the people are, in fact, to be represented, we need a fair process and not a political excursion.

DIGITAL MILLENNIUM COPYRIGHT ACT

SPEECH OF

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, October 12, 1998

Mrs. MORELLA. Madam Speaker, I am pleased to see that the disparate parties could come together and work out a compromise on the Digital Millennium Copyright Act. I believe that it is critical that we ensure that there is a balance between the compensation received by developers of copyrighted works and the public's fair use of those copyrighted works.

However, as I stated when this bill was being considered on the House floor, I am deeply troubled that H.R. 2281 did not update the copyright law concerning distance education. Although the Conference Report authorizes the Register of Copyrights to submit to Congress recommendations on how to promote distance education through digital technologies, I believe the amendment that I was planning to offer struck the appropriate balance between the copyright owners and the educational community.

As we enter the 21st Century, distance education will play an even more pivotal role in educating our children, as well as those individuals interested in life long learning. Distance education will fill an important gap for individuals who, because of family obligations, work obligations, or other barriers, are prevented from attending traditional classes. It will also allow educational institutions, from outlying rural towns to the heart of America's inner cities, to access a full range of academic subjects that would otherwise not be available to them.

Recently, Montgomery County Public Schools (MCPS) received a $9 million federal grant to help the school system develop more effective ways of incorporating technology into the classroom. One of the most promising uses of technology in the classroom is the incorporation of distance education into the everyday lives of educators and students. I believe it will be an injustice if the public schools in my District are unable to fulfill the promise of distance education because we have an outdated copyright law that does not allow for the effective use of distance education in a digital world.

Due to the exceptional talent of our teachers and administrators, Montgomery County's educational system has always been in the forefront of educational innovation. I believe it is critical that we provide our teachers with all the available tools to allow them to continue to find new and exciting ways of educating students. Thus, we must update the copyright law regarding distance education to meet the new challenges and allow for new and exciting technologies that will improve the education of our citizens as we prepare them to compete in this more competitive global economy. I intend to monitor the conduct of the distance education study and work closely with the Register of Copyrights, the educational community, the copyright owners and the relevant House committees over the next several months to develop legislation that will promote distance education in the digital age.

TRIBUTE TO THE HONORABLE ESTEBAN TORRES

SPEECH OF

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Ms. ROYBAL-ALLARD. Mr. Speaker, I am honored to recognize the achievements of ESTEBEN TORRES, my esteemed colleague and friend.

As a member of the House for over 15 years, ESTEBAN has faithfully represented the people of East Los Angeles with enthusiasm, dedication and respectability.

As the highest-ranking hispanic member on the Appropriations Committee, longstanding member and former chair of the Congressional Hispanic Caucus, and Deputy Democratic Whip, ESTEBAN is an excellent role model for Latinos and young people across our nation.

Not only is ESTEBAN TORRES an inspiration for our future leaders, but for anyone who strives to improve his or her life. ESTEBAN embodies the wonderful American ideal that no matter who you are or where you come from, you can find success.

ESTEBAN comes from very humble beginnings. His father, a Mexican immigrant who toiled in Arizona's copper mines, was deported during the Depression along with many other Mexican immigrants. ESTEBAN never saw his father again. Later, living with his mother in East Los Angeles, ESTEBAN almost dropped out of high school.

But ESTEBAN defied the odds. Starting as an assembly line worker at the Chrysler Plant in Los Angeles, he rose through the ranks of the United Auto Workers, and later served in the Korean War. In the 1960s, he founded a critically important community development corporation, the East Los Angeles Community Union.

Recognizing ESTEBAN's superb diplomatic skills, President Jimmy Carter appointed him as Ambassador to the United Nation's Education, Scientific and Cultural Organization in 1976 and later, as Special Assistant to the President for Hispanic Affairs. In 1982, ESTEBAN was elected to represent the 34th Congressional District.

What I appreciate most about ESTEBAN is that he has never forgotten his roots. He has tirelessly advocated for the workers and low-income families of this country. He exemplifies the promise of the American dream.

Thank you for making a difference in so many people's lives. I will miss your companionship and kindness. I bid you a fond farewell, ESTEBAN.

THURGOOD MARSHALL COURTHOUSE BILL, H.R. 2187

SPEECH OF

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Mr. GILMAN. Mr. Speaker, I rise to express my strong support for this initiative to rename the new Federal Courthouse in White Plains, New York, in honor of one of the outstanding Americans of the 20th Century, the Hon. Thurgood Marshall.

Recent biographies have spotlighted the remarkable career of this distinguished gentleman. His struggle to end segregation in public schools culminated in the *Brown* vs. *Board of Education* decision of 1954. As the chief counsel for the NAACP in this landmark decision, he successfully brought about not only an overturn of the 60 year old *Plessy* vs. *Ferguson* ruling, but one made by a unanimous vote which virtually every observer and constitutional expert predicted was impossible prior to the Court's decision.

Subsequently, Thurgood Marshall distinguished himself as a justice on the U.S. Court of Appeals, where he wrote over 150 decisions, many of which impact many lives. Support for immigrant rights, limiting government intrusion in illegal search and seizure, double jeopardy and right to privacy cases were only some of the landmark decisions he reached.

As U.S. Solicitor General, Marshall won 14 of the 19 cases he brought before the United States Supreme Court.

In 1967, President Lyndon Johnson appointed Thurgood Marshall as the first Supreme Court Justice in history of Afro-American heritage. He served on our nation's highest bench until 1991, where he left an indelible legacy on our nation.

I strongly urge our colleagues to join in this most fitting tribute. This legislation will remind future generations for many years to come of the tremendous debt our nation owes to Justice Thurgood Marshall.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4104, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999

SPEECH OF

HON. TOM BLILEY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 7, 1998

Mr. BLILEY. Mr. Speaker, I rise to commend the efforts of Congress in maintaining and strengthening the Regulatory Accounting Provisions in FY 1999 Treasury, Postal Service, and General Government Appropriations.

A regulatory accounting amendment has been signed into law for the past three years as a part of the Treasury/Postal Appropriations Act. The amendment has two major components. First, the President, through the Director of OMB, must prepare and submit to Congress an accounting statement of the total annual costs and corresponding benefits of Federal regulatory programs for FY 1999. Second, after each year an accounting statement is submitted, the President shall submit a report to Congress providing an analysis of impacts on State, local, and tribal government, small business, wages, and economic growth as well as recommendations for regulatory reform. New this year to the regulatory accounting amendment is an independent and external peer review provision. Peer review will ensure the information produced from this report is accurate and balanced.

Recent studies estimate the compliance costs of Federal regulations at more than $700 billion annually and project substantial future growth even without the enactment of new legislation. These costs are passed on to the public through higher prices and taxes, reduced government services, and stunted wages and economic growth. To manage and prioritize these regulatory programs better, we need more information provided by this amendment on the costs and benefits of existing regulatory programs and new rules.

Since 1995, I have introduced bipartisan permanent regulatory accounting legislation, most recently H.R. 2840, the Regulatory Right-to-Know Act. Senators Thompson and Breaux have introduced the analogue to H.R. 2840 in the Senate and have championed this year's regulatory accounting amendment. I thank them for their efforts.

It is vitally important that Congress permanently places regulatory accounting on the books, thereby ensuring this crucial information is provided to the American people. The Regulatory Right-to-Know Act must be one of our top priorities in the 106th Congress.

I urge my colleagues to join the bipartisan coalition in supporting regulatory accounting.

CONVEYING TITLE TO TUNNISON LAB HAGERMAN FIELD STATION IN GOODLING COUNTY, IDAHO, TO UNIVERSITY OF IDAHO

SPEECH OF

HON. MICHAEL D. CRAPO

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 9, 1998

Mr. CRAPO. Mr. Speaker, Idaho is the nation's leading producer of fresh water trout. This important industry depends on springs that supply the Snake River, which is coming under increasingly strict water quality regulations. The State also finds itself leading the debate on Salmon conservation and is continually looking for sound scientific solutions. The University of Idaho is already establishing itself as a significant resource in the science of identifying and developing preservation strategies for the nation's endangered and threatened fish species.

The University of Idaho currently operates the Tunnison Lab, approximately four acres of the Hagerman National Fish Hatchery, pursuant to a cooperative agreement with the U.S. Fish and Wildlife Service. This agreement has allowed the University of Idaho to pursue research that will help conserve the region's endangered and threatened salmonids, and study alternative fish feed that may reduce nutrient loads normally associated with the aquaculture industry nationwide.

S. 2505 will transfer the title of the Tunnison Lab from the U.S. Fish and Wildlife Service to the University of Idaho. By doing this, the University will be able to take advantage of federal funding secured as part of the University's biotech improvement efforts. The University has proposed to spend $1.75 million on improvements to the Tunnison Lab.

As part of the improvements, the University of Idaho will include an on-site learning center that will provide educational training on fish management for federal agents, industry representatives, and others interested in improved management of salmonid species. This bill has the support of the Administration, the Senate, the Governor of Idaho, local government officials, adjacent property owners, Idaho's aquaculture industry, and the U.S. Fish and Wildlife Service.

Knowing that the Hagerman Valley is a rich archaeological area, home to rich fossil sites, extra precautions have been taken to assure protection of any valuable sites discovered in the Environmental Assessment conducted as part of the transfer.

S. 2505 is good government in action. Because of the initiative of a state entity (the UI) and a federal entity (USFWS), we've taken federal resources and put them to the best use for the American public. It is going to address some very real research needs. The result is going to be a cleaner environment, a stronger Idaho aquaculture industry, and a more secure future for Idaho's wild salmon.

H.R. 2822

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. KENNEDY of Rhode Island. Mr. Speaker, on November 5, 1997, my friend and colleague, Mr. KNOLLENBERG, introduced H.R. 2822, a bill that would recognize a group of individuals self-named the Swan Creek Black River Confederated Ojibwe as a distinct recognized Indian tribe. I have reviewed the bill in detail and have concluded that it reduces to two concepts: sovereignty and process. It is this bill's affect on these two concepts that convinces me that I must oppose this legislation. I encourage my fellow Representatives to oppose it as well.

Congress has been discussing sovereignty in relation to Indian tribes since the first instance a European settler set foot on this continent. It is time we learned to respect tribal sovereignty and uphold it to its fullest extent. The Saginaw Chippewa Indian Tribe of Michigan is a sovereign nation. It has exercised and retained its sovereignty throughout history and throughout its many encounters with the federal government. The Saginaw Chippewa Tribe's sovereignty is not something that Congress granted to it. Rather, it is something the Tribe has retained. The Saginaw Chippewa Tribe is a nation unto itself—with the sovereign authority, power, and right to manage its own affairs and govern its own members. Congress must respect this and must not become involved in internal tribal political affairs—which H.R. 2822 asks us to do.

H.R. 2822 proposes to federally recognize a group that calls itself the Swan Creek Black River Confederated Ojibwe Tribes. This group claims to be the successor in interest to the Swan Creek and Black River Banks of Chippewa Indians. It is my understanding that although these bands were once considered parts of the larger Chippewa group in southeastern Michigan before and during the treaty process, that these bands, by virtue of the 1855 Treaty of Detroit, were affirmatively merged with the Saginaw Band to become the one sovereign nation of the Saginaw Chippewa Tribe. For over 140 years the Saginaw Chippewa Tribe has functioned as one tribe without regard to any band distinctions and has been treated as such by the federal government.

Further, I also understand that most of the participants of the Swan Creek Group pushing the bill, including its organizer, are currently members of the Saginaw Chippewa Tribe and that most tribal members, because of more than a century of intermarriage among the three component bands of the Tribe, find it difficult to determine from which band they descend. Of course, the Saginaw Chippewa Tribe has and continues to serve all of these members equally regardless of their band affiliation.

In reviewing the history and the circumstances surrounding this bill, I can only conclude that H.R. 2822 addresses nothing more than a tribal membership issue of the Saginaw Chippewa Tribe, and that Congress should not interfere in this matter. It is an issue for the sovereign Saginaw Chippewa Tribe and its governing body. Congress must respect this.

If Congress were to do otherwise and pass H.R. 2822, its effect would be to mandate that a splinter group of a well established and long recognized tribe break off and form its own nation, complete with the rights and privileges of all legitimate Indian tribes. It would allow the Swan Creek Group to claim the treaty-preserved rights, jurisdiction and sovereignty currently held by the Saginaw Chippewa Tribe. This is an affront to the Saginaw Chippewa Tribe's sovereignty—and to the sovereignty of all Indian nations. If Congress were to split the Saginaw Chippewa Tribe with H.R. 2822, nothing will stop it from unilaterally splitting other federally recognized tribes when splinter groups come forward. This cannot be the precedent Congress sets—especially when, as in this case, gaming and the establishment of a casino are the motivating factors for recognition. H.R. 2822 would set this dangerous precedent—and I cannot allow that to happen.

Process. The second argument against H.R. 2822 boils down to process. Since 1978, the Bureau of Indian Affairs (BIA), through its Bureau of Acknowledgement and Research (BAR), has been the appropriate forum for determining whether groups merit federal recognition as Indian tribes. The BAR process calls for extensive research and analysis. The BAR staff has the expertise and the experience to conduct such study and review. With all due respect to my fellow Representatives, Congress does not. Congress cannot play the role of the BIA.

Of course, I realize that Congress has granted legislative recognition to tribes in the past. Yet, the circumstances of those were quite different from what we see before us today with the Swan Creek Group. The Swan Creek Group has not even attempted the administrative process. It is my understanding that they filed a letter of intent with the BIA in 1993. This merely opens a file in anticipation of a petition for recognition. As of yet, however, the Group has filed to provide any documentation or to even pursue this process in any way. The Group's file lays dormant in line behind over 100 groups awaiting recognition.

It is my contention that the Swan Creek Group, if it is to pursue federal recognition, should be directed back to the BIA. It would be wholly unfair for Congress to allow this Group that has provided no documentation whatsoever for recognition to be recognized ahead of all the other groups who have abided by the process simply because the Swan Creek Group and its representatives have walked the halls of Congress pushing legislation.

Congress is not equipped to decipher the Group's history and genealogy to determine whether it merits recognition. This, along with the simple fact that many of the Group's participants remain members of the Saginaw Chippewa Tribe and receive the benefits and privileges as such, convinces me that Congress should not pass this bill. Congress must not interfere with the Saginaw Chippewa Tribe's sovereignty. If we are to take any action at all on H.R. 2822, it should be to oppose it to allow the Saginaw Chippewa Tribe, the appropriate governing body for this issue, to resolve the matter. Beyond that, the Group is welcome to pursue the established administrative process for recognition. In efforts to uphold tribal sovereignty and established process, I cannot condone any other action by Congress on this issue.

SEEDS OF PEACE

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. KNOLLENERG. Mr. Speaker, I rise today to recognize the important work of the non-partisan organization Seeds of Peace.

After decades of war, terrorism, and other forms of conflict, and after much bloodshed on both sides, Israel and the Palestinian Liberation Organization signed an official document on September 13, 1993 in which they pledged to pursue peace and resolve their differences.

While the peace process over the past five years has had its share of problems. I believe that the Middle East is a fundamentally different region since the historic ceremony on the lawn of the White House. The most concrete results, such as the peace agreement between Israel and Jordan, the end of Israel's occupation of the West Bank, and the creation of the Palestinian Authority, give us hope that further progress is possible. Progress can only come from direct talks between Israel and the Palestinians, with the continued support and encouragement of the United States.

Today it is appropriate to look beyond the complexities of the peace process and consider the necessary ingredients to nurture a peaceful future in the Middle East. As important as the Oslo Accords were and future peace agreements will be, none of these documents will guarantee that peace will take hold in the hearts and minds of Israelis and their Arab neighbors. True peace will only emerge in that region if a new generation adopts attitudes that represent a break from the past.

Seeds of Peace has worked to fulfill this vision. Each summer since 1993, this organization has brought hundreds of teenagers from Israel and Arab lands to a camp in Maine. Over the course of five weeks, the youngsters are engaged in heated discussions about their perspectives and attitudes and build friendships that transcend their differences.

I was fortunate to meet two graduates of the Seeds of Peace camp earlier this year, an Israeli girl named Shani and a Palestinian boy named Abdalsalam, when they visited Detroit. I was very impressed by their stories about how camp opened them to a deeper understanding of their differences and led them to resolve to transcend those differences as they take positions of leadership in their respective societies. They carried their message E2144to high

schools throughout the Detroit area, to a joint gathering of Arab and Jewish youth groups, and to an event that brought together leaders of Detroit's Jewish and Arab communities.

This project has special meaning for Michigan's large Jewish and Arab American communities, who have strong cultural, historical, religious, and family ties with the Middle East and follow developments there very closely. Seeds of Peace offers them an opportunity to work together, along with others who seek a Middle East free of war and hatred.

I applaud the efforts of Seeds of Peace and of other similar organizations that are building a foundation for future peace in the Middle East. I encourage Americans to lend their support to their fine initiatives as a way of signaling hope for a brighter future for generations to come.

DIGITAL MILLENNIUM COPYRIGHT ACT

SPEECH OF

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 12, 1998

Mr. TAUZIN. Mr. Speaker, today, we bring to the floor H.R. 2281, the Digital Millennium Copyright Act of 1998. I am pleased that the Conference Report reflects the joint efforts of the Commerce and Judiciary Committees. The House played an extremely important role in the development of this balanced bill. We addressed some of the very tough issues that had yet to be resolved despite passage of the bill by the Senate. The substance of our work resulted in amendments which were ultimately incorporated into the bill which we consider today.

Today, we take the final step toward passage of legislation which will implement the WIPO treaties. It is indeed an historic moment. By passing this legislation, the United States sets the standard for the rest of the world to meet. Our content industries are the world's finest, as well as one of this Nation's leading exporters. They must be protected from those pirates who in the blink of an eye—can steal these works and make hundreds if not thousands of copies to be sold around the world—leaving our own industries uncompensated. This theft cannot continue.

By implementing the WIPO treaties this year, we ensure that authors and their works will be protected from pirates who pillage their way through cyberspace. As we send a signal to the rest of the world, however, it is important that we not undermine our commitment to becoming an information-rich society—right here in the United States . . . inside our own borders.

The discussion generated by the House has been invaluable to finding the balance between copyright protection and the exchange of ideas in the free-market—two of the fundamental pillars upon which this nation was built. In drafting this legislation, we did not overlook the need to strike the correct balance between these two competing ideals. That is indeed the purpose of the legislative process—to debate, haggle, review and ultimately to hammer out what will be strong and lasting policy for the rest of the world to follow.

A free market place for ideas is critical to America. It means that any man, woman or child—free of charge!!—can wander into any public library and use the materials in those libraries for free. He or she—again, free of charge!!—can absorb the ideas and visions of mankind's greatest writers and thinkers.

In this regard, the most important contribution that we made to this bill is section 1201(a)(1). That section authorizes the Librarian of Congress to wave the prohibition against the act of circumvention to prevent a reduction in the availability to individuals and institutions of a particular category of copyrighted works. As originally proposed by the Senate, this section would have established a flat prohibition on the circumvention of technological measures to gain access to works for any purpose. This raised the possibility of our society becoming one in which pay-per-use access was the rule, a development profoundly antithetical to our long tradition of the exchange of free ideas and information. Under the compromise embodied in the Conference Report, the Librarian will have the authority to address the concerns of Libraries, educational institutions, and other information consumers threatened with a denial of access to work in circumstances that would be lawful today. I trust the Librarian, in consultation with the Assistant Secretary of Commerce for Communications and Information, will ensure that information consumers may continue to exercise their centuries-old fair use privilege.

We also sought to ensure that consumers could apply their centuries-old fair use rights in the digital age. Sections 1201(a)(2) and (b)(1) make it illegal to manufacture, import, offer to the public, provide, or to otherwise traffic in ''black boxes.'' These provisions are not aimed at staple articles of commerce, such as video cassette recorders, telecommunications switches, and personal computers widely used today by businesses and consumers for legitimate purposes. As a result of the efforts of the Commerce Committee, legitimate concerns about how these provisions might be interpreted by a court to negatively affect consumers have been addressed to the satisfaction of consumer electronics and other product managers.

Section 1201(c)(3), the ''no mandate'' provision, makes clear that neither of these sections requires that the design of, or design and selection of parts and components for, a consumer electronics, telecommunications, or computer product provide for a response to any particular technological measure, so long as the device does not otherwise violate section 1201. Members of my Subcommittee included an unambiguous no mandate provision out of concern that someone might try to use this bill as a basis for filing a lawsuit to stop legitimate new products from coming to market. It was our strong belief that product manufacturers should remain free to design and produce digital consumer electronics, telecommunications, and computing products without the threat of incurring liability for their design decisions. Had the bill been read to require that new digital products respond to any technological protection measure that any copyright owners chose to deploy, manufacturers would have been confronted with difficult, perhaps even impossible, design choices. They could have been forced to choose, for example, between implementing one of two incompatible digital technological measures. It was the wrong thing to do for consumers and thus, we fixed the problem.

In our Committee report, we also sought to address the concerns of manufacturers and consumers about the potential for ''playability'' problems when new technological measures are introduced in the market. I was pleased to see that the conferees also recognized the seriousness of the problem and agreed to include explicit conference report language setting forth our shared respective on how the bill should be interpreted in this respect.

With regard to the issue of encryption research, the Commerce Committee again made an invaluable contribution to this important legislation. The amendment provided for an exception to the circumvention provisions contained in the bill for legal encryption research and reverse engineering. In particular, these exceptions would ensure that companies and individuals engaged in what is presently lawful encryption research and security testing and those who legally provide these services could continue to engage in these important and necessary activities which will strengthen our ability to keep our nation's computer systems, digital networks and systems applications private, protected and secure.

Finally, I want to commend my colleagues, DAN SCHAEFER and RICK WHITE for their efforts in reaching agreement on a provision which has been included in this bill to address the concerns of webcasters. Webcasting is a new use of the digital works this bill deals with. Under current law, it is difficult for webcasters and record companies to know their rights and responsibilities and to negotiate for licenses. This provision makes clear the rights of each party and sets up a statutory licensing program to make it as easy as possible to comply with. It is a worthy change to the bill and again, my thanks to Mr. WHITE and Mr. SCHAEFER and their staffs—Peter Schalestock and Luke Rose.

I can't emphasize enough to my colleagues the importance of not only this legislation, but also the timing of this legislation. An international copyright treaty convention is a rare and infrequent event. We thus stand on the brink of implementing this most recent treaty—the WIPO copyright treaty—knowing full well that it may be another 20 years before we can re-visit this subject. This bill strikes the right balance. Copyright protection is important and must be encouraged here. But in pursuing that goal we must remain faithful to our legacy, and our commitment to promoting the free exchange of ideas and thoughts. Digital technology should be embraced as a means to enrich and enlighten all of us.

Finally, I want to thank Chairman BLILEY and Ranking Member DINGELL as well as my colleagues Mr. MARKEY, Mr. KLUG, Mr. BOUCHER, and Mr. STEARNS. Also, I would like to thank Chairman HYDE, Ranking Member CONYERS, Chairman COBLE, Mr. GOODLATTE, and Mr. BERMAN, as well as Senators HATCH, LEAHY, and THURMOND for their excellent work on this legislation. And finally, a special thanks to the staffs of these Members—Justiin Lilley, Mike O'Reilly, Andy Levin, Colin Crowell, Kathy Hahn, Ann Morton, Peter Krug, Mitch Galzier, Debbie Laman, Robert Rabin, David Lehman, Bari Schwartz, Manus Cooney, Ed Damich, Troy Dow, Garry Malphrus, Marla Grossman, Bruce Cohen, and Beryl Howell.

MEDICARE HOME HEALTH AND VETERANS HEALTH CARE IMPROVEMENT ACT OF 1998

SPEECH OF

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 9, 1998

Mr. PAUL. Mr. Speaker, I appreciate the opportunity to explain why I must oppose H.R. 4567 even though I support reforming the Interim Payment System (IPS) and I certainly support expanding the health care options available to American veterans. However, I cannot support this bill because this solution to home care is inadequate and it raises taxes on Americans instead of cutting wasteful, unconstitutional spending to offset the bill's increases in expenditures.

I am pleased that Congress is at last taking action to address the problems created by the IPS. Unless the IPS is reformed, efficient home care agencies across the country may be forced to close. This would raise Medicare costs, as more seniors would be forced to enter nursing homes or forced to seek care from a limited number of home health care agencies. In fact, those agencies that survive the IPS will have been granted a virtual monopoly over the home care market. Only in Washington could punishing efficient businesses and creating a monopoly be sold as a cost-cutting measure!

Congress does need to act to ensure that affordable home care remains available to the millions of senior citizens who rely on home care. However, the proposal before us today does not address the concerns of small providers in states such as Texas. Instead, it increases the reimbursement rate of home care agencies in other states. I am also concerned that the reimbursement formula in this bill continues to saddle younger home health agencies with lower rates of reimbursement than similarly situated agencies who have been in operation longer. Any IPS reform worthy of support should place all health care agencies on a level playing field for reimbursements.

A member of my staff has been informed by a small home health care operator in my district that passage of this bill would allow them only to provide an additional eight visits per year. This will not keep home health patients with complex medical conditions out of nursing homes and hospitals. Congress should implement a real, budget-neutral home health care reform rather than waste our time and the taxpayers' money with the phony reform before us today.

Mr. Speaker, I also support the language of the bill expanding the health care options available to veterans' benefits. Ensuring the nation's veterans have a quality health care system should be one of the governments' top priorities. In fact, I am currently working on a plan to improve veterans' health care by allowing them greater access to Medical Savings Accounts (MSAs). However, I cannot, in good conscience, support the proposals before us today because, for all their good intentions, it is fatally flawed in implementation for it attempts to offset its new spending with a tax increase.

Now I know many of the bill's supporters will claim that this is not a tax increase just an adjustment in the qualifications for a tax benefit or tightening a tax loophole. However, the fact is that by raising the threshold before a taxpayer can rollover their traditional IRA into a Roth IRA the federal government is forcing some people to pay higher taxes than they otherwise would, thus they are raising taxes. It is morally wrong for Congress to raise taxes on one group of Americans in order to provide benefits for another group of Americans.

Instead of raising taxes Congress should ''offset'' these programs by cutting spending in other areas. In particular, Congress should finance veterans health care by reducing expenditures wasted on global adventurism, such as the Bosnia mission. Congress should stop spending Americans blood and treasure to intervene in quarrels that do not concern the American people.

Similarly, Congress should seek funds for an increased expenditure on home care by ending federal support for institutions such as the International Monetary Fund (IMF), which benefit wealthy bankers and powerful interests but not the American people. At a time when the federal government continues to grow to historic heights and meddles in every facet of American life I cannot believe that Congress cannot find expenditure cuts to finance the programs in this bill!

Mr. Speaker, I must also note that the only time this Congress seems concerned with offsets is when we are either cutting taxes or increasing benefits to groups like veterans or senior citizens. The problem is not a lack of funds but a refusal of this Congress to set proper priorities and put the needs of the American people first.

In conclusion, Mr. Speaker, I call upon this Congress to reject this bill and instead support an IPS reform that is fair to all home care providers and does not finance worthwhile changes in Medicare by raising taxes. Instead, Congress should offset the cost to these worthy programs by cutting programs that do not benefit the American people.

HONORING SUNY BROOKLYN PROFESSOR ROBERT FURCHGOTT RECIPIENT OF THE NOBEL PRIZE FOR MEDICINE

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. TOWNS. Mr. Speaker, I rise today to honor distinguished Professor Emeritus Robert Furchgott recipient of the Nobel Prize for Medicine.

Professor Furchgott received the Nobel Prize for Medicine as a much deserved salute for a long, distinguished and continually evolving career. Furchgott's love for science began as a young man growing up in the great state of South Carolina. After earning a doctorate in biochemistry at Northwestern University in Illinois, he headed to New York's Cornell Medical Center. In 1956, he landed a position at SUNY Downstate (now called SUNY Health Science Center in Brooklyn). He remained there until his retirement in 1989, and is now a professor emeritus.

Doctor Furchgott, always modest and unassuming, stated that a lucky mistake led to his discovery of the role in nitric oxide in vascular relaxation. Those that know him best know that this is his style. The Nobel Prize was not only for his pioneering discovery but it is also in recognition of his years of hard work and perseverance. Even as a tireless researcher, he has also been dedicated to the responsibility of shaping the next generation of pioneers. He never turns down students' request to read their research papers.

The professor, a giant in the field of medicine, is truly a role model and an inspiration for our children. A man of great conviction and passion for increasing the body of medical knowledge we will all benefit from, Mr. Speaker, I ask you and my colleagues on both sides of the aisle to join me in saluting the achievement of Professor Robert Furchgott.

DANTE B. FASCELL NORTH-SOUTH CENTER ACT

SPEECH OF

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 12, 1998

Mr. LANTOS. Mr. Speaker, I join the Chairman of the International Relations Committee, Mr. GILMAN of New York, and the Ranking Democratic Member of the Committee, Mr. HAMILTON of Indiana, in strongly supporting this legislation to rename the North South Center as the Dante B. Fascell North South Center.

Mr. Speaker, I had the great honor of serving in this House for 12 years without our distinguished former colleague from Florida, Dante B. Fascell, and for almost a decade of my service in the House, he was the Chairman of the House Foreign Affairs Committee. In that position he played a critical role in dealing with many of the vital foreign policy issues of that time—the Iran-Contra scandal, the collapse of the Soviet Union, the effort to encourage the democratic political transition and the development market economies in the republics of the Newly Independent States and the countries of Central and Eastern Europe, the end of the Berlin Wall and the unification of Germany, the outrageous suppression of democracy and free speech at Tiananmen Square in Beijing.

Dante was a critical player, Mr. Speaker, when the House of Representatives considered the War Powers Act in 1974, and throughout his service in the Congress, he was adamantly committed to assuring the importance of the Congressional role in the formulation of our Nation's foreign policy. In the 1970's the Conference on Security and Cooperation in Europe took place with the involvement of the nations of both Western and Eastern Europe and the United States in an effort to improve relations between Western Europe and the Soviet Union and its client states. At this crucial time, Dante was one of the most insistent and effective voices in advocating the importance of respect for human rights as a key element of any agreement with the communist countries. It was largely through his leadership that the United States Commission on Security and Cooperation in Europe—the Helsinki commission—was established.

Among the most farsighted concerns upon which Chairman Fascell focused his energies and attention, however, Mr. Speaker, was the

effort to improve and strengthen United States relations with the nations of the Western Hemisphere, including Latin America, the Caribbean, and Canada. Among his most lasting contributions in this regard was his important legislation to establish the North South Center at the University of Miami in 1990.

Mr. Speaker, Dante Fascell worked tirelessly to promote democracy and foster an open dialogue among the nations of this hemisphere. His efforts in this regard were important in advancing our nation's security, competitiveness and economic viability. The East West Center has played a vital role in the national debate on the role of the United States in the Western Hemisphere. The Center has done important work in focusing on regional topics of great importance to our nation—trade, economic growth, immigration, drug policy and drug control, and the spread of democracy and market economics.

In light of Dante's distinguished record of service in this body and the critical contributions which he and the North South Center have made in our nation's foreign policy in this hemisphere, Mr. Speaker, it is entirely appropriate and fitting that we rename the North South Center in his honor. I strongly support this legislation, and I urge my colleagues to support it as well.

FREE MARKETS, NOT THE IMF, IS THE ANSWER TO GLOBAL ECONOMIC CRISIS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. CRANE. Mr. Speaker, one of the biggest issues being negotiated between our Congressional Leadership and the White House is funding for the International Monetary Fund, the IMF. Indeed, debate over how best to address the various international financial crisis de jour is taking place all over the world.

I urge the Leadership to consider the thoughts of monetary policy experts like the Nobel Prize winning economist Milton Friedman. Specifically, I commend to my colleagues' attention an article from the Tuesday, October 13, 1998 edition of the Wall Street Journal by Mr. Friedman entitled: ''Markets to the Rescue''.

Among other ideas, Mr. Friedman suggests that the IMF's interventions in markets around the world has caused or exacerbated the various economic crises which, in turn, are having a significant impact on the otherwise healthy U.S. economy.

I urge my colleagues to consider what Mr. Friedman has to say about the IMF before we give one more dime of our taxpayers' money to that international agency.

[From the Wall Street Journal, Oct. 13, 1988]

MARKETS TO THE RESCUE

(By Milton Friedman)

The air is rife with proposals to reform the International Monetary Fund, increase its funds and create new international agencies to help guide global financial markets. Indeed, Congress and the Clinton administration spent much of the last week's budget negotiations find-tuning the details of the U.S.'s latest $18 billion IMF subvention package. Such talk is on a par with the advice to the inebriate that the cure for a hangover is the hair of the dog that bit him. As George Shultz, William Simon and Walter Wriston wrote on this page in February: ''The IMF is ineffective, unnecessary, and obsolete. We do not need another IMF. . . . Once the Asian crisis is over, we should abolish the one we have.'' Centralized planning works no better on the global than on the national level.

The IMF was established at Bretton Woods in 1944 to serve one purpose and one purpose only: to supervise the operation of the system of fixed exchange rates also established at Bretton Woods. That system collapsed on Aug. 15, 1971, when President Nixon, as part of a package of economic changes including wage and price ceilings, ''closed the gold window''—that is, refused to continue the commitment the U.S. had undertaken at Bretton Woods to buy and sell gold at $35 an ounce. The IMF lost its only function and should have closed shop.

INTERNATIONAL AGENCIES

But few things are so permanent as government agencies, including international agencies. The IMF, sitting on a pile of funds, sought and found a new function: serving as an economic consulting agency to countries in trouble—an agency that was unusual in that it offered money instead of charging fees. It found plenty of clients, even though its advice was not always good and, even when good, was not always followed. However, its availability, and the funds it brought, encouraged country after country to continue with unwise and unsustainable policies longer than they otherwise would have or could have. Russia is the latest example. The end result has been more rather than less financial instability.

The Mexican crisis in 1994–95 produced a quantum jump in the scale of the IMF's activity. Mexico, it is said, was ''bailed out'' by a $50 billion financial aid package from a consortium including the IMF, the U.S., other countries and other international agencies. In reality Mexico was not bailed out. Foreign entities—banks and other financial institutions—that had made dollar loans to Mexico that Mexico could not repay were bailed out. The internal recession that followed the bailout was deep and long; it left the ordinary Mexican citzen facing higher prices for goods and services with a sharply reduce income. That remains true today.

The Mexican bailout helped fuel the East Asian crisis that erupted two years later. It encouraged individuals and financial institutions to lend to and invest in the East Asian countries, drawn by high domestic interest rates and returns on investment, and reassured about currency risk by the belief that the IMF would bail them out if the unexpected happened and the exchange pegs broke. This effect has come to be called ''moral hazard,'' though I regard that as something of a libel. If someone offers you a gift, is it immoral for you to accept it? Similarly, it's hard to blame private lenders of accepting the IMF's implicit offer of insurance against currency risk. However, I do blame the IMF for offering the gift. And I blame the U.S. and other countries that are members of the IMF for allowing taxpayer money to be used to subsidize private banks and other financial institutions.

Seventy-five years ago, John Maynard Keynes pointed out that ''if the external price level is unstable, we cannot keep both our own price level and our exchanges stable. And we are compelled to choose.'' When Keynes wrote, he could take free capital movement for granted. The introduction of exchange controls by Hjalmar Schacht in the 1930's converted Keynes's dilemma into a trilemma. Of the three objectives—free capital movement, a fixed exchange rate, independent domestic monetary—free capital movement, a fixed exchange rate, independent domestic monetary policy—any two, but not all three, are viable. We are compelled to choose.

The attempt by South Korea, Thailand, Malaysia and Indonesia to have all three—with the encouragement of the IMF—has produced the external financial crisis that has pummeled those countries and spread concern around the world, just as similar attempts produced financial crisis in Britian in 1967, in Chile in the early 1980's, in Mexico in 1995 and in many other cases.

Some economists, notably Paul Krugman and Joseph Stiglitz, have suggested resolving the trilemma by abandoning free capital movement, and Malaysia has followed that course. In my view, that is the worst possible choice. Emerging countries need external capital, and particularly the discipline and knowledge that comes with it, to name the best use of their capacities. Moreover, there is a long history demonstrating that exchange controls are porus and that the attempt to enforce them invariably leads to corruption and an extension of government controls, hardly the way to generate healthy growth.

Either of the other alternatives seems to me far superior. One is to fix the exchange rate, by adopting a common or unified currency, as the states of the U.S. and Panama (whose economy is dollarized) have done and as the participants in the Euro propose to do, or by establishing a currency board, as Hong Kong and Argentina have done. The key element of this alternative is that there is only one central bank for the countries using the same currency: the European Central Bank for the Euro countries; the Federal Reserve for the other countries.

Hong Kong and Argentina have retained the option of terminating their currency boards, changing the fixed rate, or introducing central bank features, as the Hong Kong Monetary Authority has done in a limited way. As a result, they are not immune to infection from foreign-exchange crises originating elsewhere. Nonetheless, currency boards have a good record of surviving such crises intact. Those options have not been retained by California or Panama, and will not be retained by the countries that adopt the Euro as their sole currency.

Proponents of fixed exchange rates often fail to recognize that a truly fixed rate is fundamentally different from a pegged one. If Argentina has a balance of payments deficit—if dollar receipts from abroad are less than payments due abroad—the quantity of currency (high-powered or base money) automatically goes down. That brings pressure on the economy to reduce foreign payments and increase foreign receipts. The economy cannot evade the discipline of external transactions; it must adjust. Under the pegged system, by contrast, when Thailand had a balance of payments deficit, the Bank of Thailand did not have to reduce the quantity of high-powered money. It could evade the discipline of external transactions, at least for a time, by drawing on its dollar reserves or borrowing dollars from abroad to finance the deficit.

Such a pegged exchange rate regime is a ticking bomb. It is never easy to know whether a deficit it transitory and will soon be reversed or is a precursor to further deficits. The temptation is always to hope for the best, and avoid any action that would tend to depress the domestic economy. Such a policy can smooth over minor and temporary problems, but it lets minor problems that are not transitory accumulate. When that happens, the minor adjustments in exchange rates that would have cleared up the

initial problem will no longer suffice. It now takes a major change. Moreover, at this stage, the direction of any likely change is clear to everyone—in the case of Thailand, a devaluation. A speculator who sold the Thai baht short could at worst lose commissions and interest on his capital since the peg meant that he could cover his short at the same price at which he sold it if the baht was not devalued. On the other hand, a devaluation would bring large profits.

Many of those responsible for the East Asia crisis have been unable to resist the temptation to blame speculators for their problems. In fact, their policies gave speculators a nearly one-way bet, and by taking that bet, the speculators conferred not harm but benefits. Would Thailand have benefited from being able to continue its unsustainable policies longer?

Capital controls and unified currencies are two ways out of the trilemma. The remaining option is to let exchange rates be determined in the market predominantly on the basis of private transactions. In a pure form, clean floating, the central bank does not intervene in the market to affect the exchange rate, though it or the government may engage in exchange transactions in the course of its other activities. In practice, dirty floating is more common: The central bank intervenes from time to time to affect the exchange rate but does not announce in advance any specific value that it will seek to maintain. That is the regime currently followed by the U.S., Britain, Japan and many other countries.

FLOATING RATE

Under a floating rate, there cannot be and never has been a foreign exchange crisis, though there may well be internal crises, as in Japan. The reason is simple: Changes in exchange rates absorb the pressures that would otherwise lead to crises in a regime that tried to peg the exchange rate while maintaining domestic monetary independence. The foreign exchange crisis that affected South Korea, Thailand, Malaysia and Indonesia did not spill over to New Zealand or Australia, because those countries had floating exchange rates.

As between the alternatives of a truly fixed exchange rate and a floating exchange rate, which one is preferable depends on the specific characteristics of the country involved. In particular, much depends on whether a given country has a major trading partner with a good record for stable monetary policy, thus providing a desirable currency with which to be linked. However, so long as a country chooses and adheres to one of the two regimes, it will be spared foreign-exchange crises and there will be no role for an international agency to supplement the market. Perhaps that is the reason why the IMF has implicitly favored pegged exchange rates.

The present crisis is not the result of market failure. Rather, it is the result of governments intervening to or seeking to supersede the market, both internally via loans, subsidies, or taxes and other handicaps, and externally via the IMF, the World Bank and other international agencies. We do not need more powerful government agencies spending still more of the taxpayers' money, with limited of nonexistent accountability. That would simply be throwing good money after bad. We need government, both within the nations and internationally, to get out of the way and let the market work. The more that people spend or lend their own money, and the less they spend or lend taxpayer money, the better.

MENTAL HEALTH CRISIS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mrs. ROUKEMA. Mr. Speaker, I am pleased to take this time (with the gentlelady from Ohio, Ms. KAPTUR) to illuminate what needs to be done to address the silent medical crisis in America of mental illness.

Mental illness is not a character flaw, but a tangible treatable health problem as real as hypertension or heart disease or tuberculosis or the many forms of cancer.

The good news: advances of our medical system have provided scientific breakthroughs that make appropriate mental health care as effective as insulin for a diabetic.

While we do have the ability to treat mental illness, we have a tremendous amount of work to do in the critical area of public understanding of mental illnesses—leading to appropriate treatment.

Unfortunately, America is witnessing more violence every day resulting from untreated mental illness and a failed policy of deinstitutionalization without any proper community follow-up.

All too often we hear of situations where an individual with a mental disorder has not received adequate treatment and has reacted violently and endangered him—or herself or, tragically, taken the life of another. Last year, alone, over 1,000 homicides were directly attributable to improperly treated mental illnesses.

This crisis is not just a crisis for adults. This crisis also affects our children.

The American Academy of Child & Adolescent Psychiatry estimates that 12 million American children have a mental illness at any one time, but fewer than one in five is identified as needing treatment. Early diagnosis, follow-up treatment, and prevention and intervention programs can help children and adolescents at risk for violent incidents.

My colleagues, these are the dimensions of this silent crisis. But we are not powerless. We can do something.

I, along with Representative KAPTUR, have introduced a sense of the House resolution to establish a mental illness working group to probe the gaping holes in the network of services designed to identify, assist, and treat those people with mental illness.

While treatment of the mentally ill is primarily a function of the separate states, there does exist significant sharing of costs and some joint federal/state responsibilities in such areas as reciprocity between states, the relationship of SSI and Medicaid to mental illness and the designation of Institutions of Mental Diseases.

Other key federal components that require oversight and analysis are the effectiveness of mental health block grants and the federal prison costs attributed to mental illness.

Our proposed mental illness working group would be charged with gathering information about the nature of the problem, current state and federal policy gaps as well as reviewing the need for reciprocity and how states and communities failed to provide follow-up treatments to these individuals.

This will involve Members of the various Committees that have jurisdiction over federal issues involving the mentally ill, including Ways and Means, Judiciary, Commerce, Veterans Affairs, Appropriation, Banking and the Education and the Workforce Committee. They are involved in issues ranging from discrimination in health care coverage to public housing.

We must take responsible action and seize this opportunity to ensure that something beneficial results from recent tragedies, such as that which occurred here on Capitol Hill.

I hope you will join us in this effort.

OPPOSING REPUBLICAN LAST MINUTE EFFORTS TO PASS A MODIFIED VERSION OF H.R. 4006, THE LETHAL DRUG ABUSE PREVENTION ACT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. STARK. Mr. Speaker, I rise to express my strong opposition to attempts that I understand are currently underway to attach a version of H.R. 4006, The Lethal Drug Abuse Prevention Act of 1998, to the omnibus appropriations bill that will soon be considered by Congress.

H.R. 4006 has been scheduled for floor consideration by the Full House several times this year. Each time ti has been pulled from consideration because of the great concerns expressed by our medical community. The bill purports to simply combat the practice of physician-assisted suicide. Unfortunately, that is not all the bill accomplishes. It also presents real barriers to the appropriate care of terminally ill and dying patients.

It does not appear that the supporters of this legislation intend to affect pallative care for the dying. But, regardless of intent, it is the effect of this bill. The latest version of the bill would have the same result.

If it becomes law, doctors will be deterred from providing appropriate pain management to their terminally ill patients. If you've ever lost a loved one after a long, painful illness, you know the importance of these medications. They are vital to ease the pain of people in their final days of life. It should be up to the patient, the doctor, and the patient's family to develop an appropriate pain management program—without the doctor needing to fear intervention from the federal government.

The tools exist today at the state level through the State medical and pharmacy boards to seek out and discipline doctors and other health care providers that violate the law regarding the dispensing of controlled substances. This legislation is not necessary.

The medical community is opposed to this action and patient advocacy groups are opposed to it as well. In total, more than 55 such organizations have signed up to express their opposition. The Department of Justice, the very agency that would be required to enforce the policy if it were to become law, has also voiced strong opposition to this action. In a letter to Chairman Hyde regarding H.R. 4006, the Departments states: ''Virtually all potent pain medications are controlled substances. Thus, physicians who dispense these medications to ease the pain of terminally ill patients could well fear that they could be the subject

of a DEA investigation whenever a patient's death can be linked to the use of a controlled substance.''

If we've learned anything from the managed care debate, it is that the American public wants medical decisions made by doctors and their patients—not health plan or government bureaucrats. This bill goes in the opposite direction from those desires.

We are at this point not because of any need for a new law. We are here because the Christian right is pushing this issue as yet another part of their wish list. They want to force it through the process even though there are serious, legitimate questions about its unintended consequences. Its supporters want it passed regardless of those concerns so that it can send a political message. We should resolve those concerns, not shut our eyes and rush it into law.

The last minute appropriations gimmick is Congress at its worst. Because there is legitimate opposition to passing the legislation through the regular legislative process, this is an attempt to tie the Department of Justice's hands via Congress' ability to control their spending authority. I strongly oppose inclusion of this provision in the omnibus appropriations package and urge my colleagues to join me in defeating this misguided legislation, which attempts to please a political constituency at the cost of appropriate medical care for terminally ill patients.

DISSENTING VIEWS TO H.R. 1842 OMITTED FROM COMMITTEE ON RESOURCES REPORT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. MILLER of California. Mr. Speaker, due to an administrative error, dissenting views were inadvertently omitted when the Committee on Resources filed House Report No. 105–781, on H.R. 1842, a bill to terminate further development and implementation of the American Heritage Rivers Initiative. I submit a copy of the dissenting views that would have been filed on this legislation to be printed in the CONGRESSIONAL RECORD. I have also asked that these views be included in the official Archive of the legislative history of this bill.

H.R. 1842—DISSENTING VIEWS

The American Heritage Rivers Initiative is intended to make the government serve the people more efficiently—and in fact that is what it will do. The program would affect only rivers where the local citizens have specifically requested the designation of their rivers as American Heritage Rivers. H.R. 1842 is a bill that would prevent the President from responding to those requests and coordinating the delivery of government services to those local communities. We must oppose this bill, which would stand in the way of government efficiency and effectiveness.

The American Heritage Rivers Initiative is designed to help citizens who ask for assistance with federal river programs. It is driven entirely by requests from local communities who ask to have their rivers designated, and specify the federal programs they believe can serve community goals for their rivers. Once the designations are made, the program will continue to be guided by *local* goals for river restoration and economic development. The designated ''River Navigator'' will respond to *local* requests to coordinate federal agency assistance.

The American Heritage Rivers Initiative doesn't involve new regulatory authority or new land acquisition. It simply coordinates existing federal programs and asks the federal government to be more responsive to the people. It will not impose any new federal mandates on private land. In fact, the Executive Order on the American Heritage Rivers Initiative provides repeated assurances that no such actions will occur and that Fifth Amendment rights will be protected. And of course, zoning and land use decisions will remain under local control. Nothing about the American Heritage Rivers Initiative changes that traditional local authority.

Concerns have been raised regarding the participation of designated ''River Navigators'' in local court proceedings and zoning board hearings. CEQ Chair Kathleen A. McGinty assured the Committee that the River Navigators would not take such action in their roles as River Navigators. Obviously, the White House cannot anticipate every circumstance where the government might be sued and federal employees might have to testify. But the White House has promised that River Navigators will not be intervening in local courts and zoning boards in their roles as River Navigators. This is as much as could be expected.

The American Heritage Rivers Initiative will not impose new zoning or new regulations on private property. It will not involve new federal land acquisition. It will simply respond to local communities who request help in accessing government services. We oppose the bill to terminate this worthwhile program.

GEORGE MILLER, ED MARKEY, NEIL ABERCROMBIE, ENI FALEOMAVAEGA, SAM FARR, PATRICK KENNEDY, ADAM SMITH, DONNA CHRISTIAN-GREEN, LLOYD DOGGETT, DALE KILDEE, FRANK PALLONE, NICK JOE RAHALL, BRUCE VENTO, MAURICE HINCHEY, CALVIN DOOLEY, WILLIAM DELAHUNT, CARLOS ROMERO-BARCELO

IN HONOR OF BROOKLYN COPS AWARDED THE TOP COPS AWARD

HON. EDOLPHUS TOWNS

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. TOWNS. Mr. Speaker, I rise today to pay tribute to the Brooklyn Police Officers who were honored in the Top Cop Award Ceremony.

These men, who everyday place themselves on the line are a vital resource to Brooklyn in particular and New York State in general. Their heroism above and beyond their call to duty is an admirable and honorable task. These officers without regard for their own safety, used their excellent training and resources to thwart a potential domestic terrorist act.

With the use of civilian informants, the officers were made aware of plans to use explosive devices with the intent of targeting and destroying a section of the New York subway system. One can imagine the tragedy that may have ensued had those deadly plans been carried out. Thanks to the expedient tactical plans created by the officers they were able to catch the would be domestic terrorists before they were able to do any harm. This act is just one of the many these officers do day in and day out constantly protecting civilians from unseen dangers and harm.

These officers embody the true and honorable spirit of law enforcement. They stand as shining examples of what it means to uphold law and justice. Though they deserve so much more for their constant and tireless commitment, this award shows our support and understanding of the danger of the job they do for us everyday. I want these officers to know that I personally thank them for protecting me and my loved ones from an all too close possible incident of domestic terrorism. May their honor and valor stand as an example to others, officers and civilians, of the true meaning of dedication and selflessness.

Mr. Speaker, I would like to ask you and my colleagues on both sides of the aisle to rise with me to give a well deserved round of applause for Brooklyn's Top Cops—Officer Joseph Dolan, Sergeant, John A. English, Jr., Officer Michael F. Kenan, Officer David Martinez, Lieutenant Owen C. McCaffrey, Deputy Inspector Raymond McDermott, Captain Ralph Pascullo, and Officer Mario Zorovic.

SENSE OF CONGRESS REGARDING FORMER SOVIET UNION'S REPRESSIVE POLICIES TOWARD THE UKRAINIAN PEOPLE

SPEECH OF

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 10, 1998

Mr. LANTOS. Mr. Speaker, I join my colleagues on the House International Relations Committee in supporting the adoption of House Concurrent Resolution 295 remembering the suffering of the people of Ukraine on the 65th anniversary of the horrendous 1932–1933 famine which resulted in the death of more than seven million people—a quarter of the population of that land.

Such massive loss of life, Mr. Speaker, is always a great tragedy, but the Ukraninian famine was a particularly devastating event because it was largely an articial diaster—it was the consequence of vicious misguided policies of the Stalinist regime in the Soviet Union. In 1929, the Soviet dictator, Josef Stalin, decreed the implementation of the policy of collectivization in agriculture, largely to ensure government control over the country's agriculture. This was done in order for the totalitarian government in the Kremlin to control more of the country's agricultural products to provide hard currency and capital for investment in industrialization.

After forced collectivization began in 1929, the rural population of Ukraine began to suffer. The diet of the population began to worsen. By the fall of 1931 the people of this rich breadbasket were trying to survive on a diet of potatoes, beets and pumpkins. Hunger people from Ukraine were traveling in ever larger groups to neighboring areas, particularly to Russia, to find food.

By the spring of 1932 people began to die of starvation. Conditions were so difficult that when peasants began the spring sowing, they kept the seeds that were necessary for that year's crop home for their children to eat. This

further exacerbated the crisis. Western journalists provided reports of the seriousness of the situation in Ukraine, and the few non-Soviet visitors who were permitted to visit Ukraine confirmed the seriousness of this tragedy.

Demographers who have carefully studied this era have concluded that seven to ten million people died as a consequence of this government-induced famine and the terror and repression carried out against peasants in Ukraine. When Members of Congress wrote to the Soviet government at that time, the Soviet Foreign Minister responded by calling reports of the famine 'lies circulated by counterrevolutionary organizations abroad.''

Mr. Speaker, it is most appropriate that we commemorate—in sorrow and in regret—this tragic episode in the history of Ukraine. It is important that in remembering this period, we commit ourselves to take action to prevent similar atrocities in the future in Ukraine or in any other nation.

This is also an occasion, Mr. Speaker, for us to rejoice that the people of Ukraine are now in the position to determine their own destiny. As a free and independent nation, the fate of the people of Ukraine now lies in their own hands. It is important for the people of Ukraine to know that we in the United States welcome their independence and that we are committed to their success as they seek to move toward a free and open and democratic society and toward a prosperous and free market economy.

Mr. Speaker, I join in marking this tragic era in the history of Ukraine, and I extend my best wishes to the people of Ukraine as they work to assure that such a catastrophe never befalls their country.

LIHEAP PROGRAM

SPEECH OF

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Ms. ROYBAL-ALLARD. Mr. Speaker, I am outraged that the Labor, Health and Human Services Appropriations bill has eliminated all funding for LIHEAP, the Low Income Home Energy Assistance Program.

This critical program provides energy assistance to over 170,000 households in my home state of California and over 4 million needy families nationwide. Many of these families have young children and over half include elderly or handicapped persons.

By eliminating LIHEAP, Congress is causing unnecessary suffering and forcing poor families to choose between heating their homes and buying food for their children. When winter temperatures fall below zero, children can freeze to death.

When heat waves soar above 90 degrees, the elderly and handicapped are at high risk of heat stroke and other grave health complications. The heat wave in Texas this past summer killed over 100 people, many of whom were elderly. Clearly, air conditioning is a life and death matter.

This vital program can be fully funded for the modest sum of 1.1 billion dollars. It is unconscionable that we would even consider eliminating this inexpensive and compassionate program.

I urge my colleagues to restore full funding for the LIHEAP program in the omnibus appropriations bill.

MANAGED CARE MANAGES NOT TO CARE ABOUT MEDICAL PRIVACY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. MARKEY. Mr. Speaker, on September 27, The Washington Post chronicled a shocking violation of patient privacy and the aggressive tactics of Pharmacy Benefits Managers. This article shines a light on efforts by PBMs, often owned by drug manufacturers to accumulate extremely sensitive and private medical data on individuals which they claim is being used to manage their health plans more economically. The article describes the experience of a woman whose prescription purchases were tracked by a pharmacy benefits manager, which in turn, used the information to inform her doctor that she would be enrolled in a ''depression program'', to monitor her prescriptions for anti-depression medication and to target her for ''educational'' material on depression. Even more alarming is that her employer had free access to all this sensitive information.

As it turns out, this woman was not suffering from any depression-related illness. Her doctor prescribed the medication to help her sleep. She had no idea that by signing up for her managed care plan, she was signing up for an invasion of her privacy. By using her prescription-drug-card, the privacy she had every right to expect between patient, doctor and pharmacist was breached and abused

This story serves to underscore my concern that laws protecting the privacy of personal information are woefully inadequate. In this electronic age, we must strengthen our privacy rights in proportion to the supersonic speed at which privacy can now be stripped from unsuspecting patients. I urge my colleagues to reflect on this situation and to work to address it in the next Congress.

[From the Washington Post, Sept. 27, 1998]

PLANS' ACCESS TO PHARMACY DATA RAISES PRIVACY ISSUE—BENEFIT FIRMS DELVE INTO PATIENT RECORDS

By Robert O'Harrow Jr.

Joan Kelly knew she would save money at her pharmacy when she used her prescription-drug card to buy an antidepressant her doctor prescribed to help her sleep. Instead of paying $17 for a month's supply of trazodone, she paid just $8.

But Kelly didn't know that when she filled her prescription last fall at a drugstore in Austin, Tex., she would also be swept up in a technology-driven revolution to control medical costs, a new kind of managed care that trampled on her notions of privacy.

Sensitive information about her prescription was flashed to PCS Health Systems, a company in Scottsdale, Ariz., that administers her pharmacy benefit on behalf of her health insurance plan. Computers instantly matched her information with other data previously collected about medications she had been taking, and the new data was stored for review by PCS administrators.

A few months later, PCS sent Kelly's doctor a letter. At the request of Kelly's employer, it said, the company had peered into one of its databases of more than 500 million prescriptions, pinpointed her as someone who used antidepressants and enrolled her in a ''depression program.'' Kelly's prescriptions would not be monitored, it said, and the doctor would be notified of any lapses. Kelly also would be sent educational material on depression.

The aim of the company, the letter noted, was to ''optimize pharmaceutical care.''

When Kelly's doctor told her about the letter, Kelly began to fret about being watched. She wondered if her bosses at Motorola Inc., which runs its own health insurance plan, would mistakenly think she was mentally ill.

''I feel it's an invasion of privacy,'' said Kelly, 50, who has worked at Motorola for 20 years as an engineering assistant. ''I feel that if I go looking for a job or a promotion, they'll say, 'She's on antidepressants.'''

A Motorola spokesman said the company chooses not to receive information about specific employee prescriptions, but there are no laws preventing it from doing so. Indeed, there are few federal rules governing the use of personal information by companies such as PCS.

They are called pharmacy benefit managers. Not long ago, such companies primarily determined if individuals' prescriptions were covered by a health plan. Today, they are technology-savvy giants that stand at the heart of a dramatic change in how medicine is being practiced under managed care.

Using powerful computers, these firms have muscled their way into what was once a close and closed relationship between patients and their doctors and pharmacists. They have established electronic links to just about every pharmacy in the United States. And they now gather detailed prescription information on the 150 million Americans who use prescription cards. PCS, which administers the benefit of 56 million people, adds about 35 prescriptions a second to a storehouse of 1.5 billion records.

PCS and other benefit managers said prescription cards should be considered an unprecedented opportunity to improve medical care and save health plans money.

Working on behalf of health plans, the benefit managers said, they use the data to pinpoint dangerous overlaps in medications that shouldn't be taken together, or to suggest generic drugs that might be just as effective at a fraction of the cost. They also reach out directly to patients and advise them on when and how to take their medication, a practice they say saves money by improving individuals' health. Industry officials estimate that their companies have saved health plans billions of dollars in recent years.

''They're the patient's caretaker,'' said Delbert Konnor, president of the Pharmaceutical Care Management Association, an industry group that represents some of the nation's largest benefit managers. ''They're monitoring the physician. They're monitoring the patient. They're also monitoring the costs.

''The whole health care industry is in a state of strategic flux,'' Konnor added. ''It's the information that really is the valuable portion of what's going on.''

But a growing number of patients, doctors and pharmacists complain that they never gave explicit approval for personal information to be collected and analyzed. Some doctors contend that the benefit managers have overstepped their roles as administrators, and they worry that new programs touted as improving care mask efforts to market drugs.

Critics say the top three benefit managers sometimes highlight medications made by their parent companies—drug manufacturers

Eli Lilly and Co., which owns PCS; SmithKline Beecham, which owns Diversified Pharmaceutical Services; and Merck & Co., which owns Merck-Medco Managed Care. At the same time, drug companies often pay for benefit managers to send in-house specialists to visit doctors in attempts to modify patient care—sometimes without asking patients' permission.

''Right now people live with this myth that the doctor-patient confidentiality is sacrosanct. We know that's not true,'' said Janlori Goldman, director of the Health Privacy Project at Georgetown University.

''Once they file a claim, once they fill a prescription, the personal, sensitive information they shared with their doctor is fair game,'' she said. ''The information about them essentially becomes a commodity.''

Some specialists fear that patients anxious about giving up their privacy may ultimately lose trust in the medical profession.

''There's a fundamental realignment of the players here,'' said Daniel Wikler, a professor of medical ethics at the University of Wisconsin. ''The question is: Who is the patient supposed to look to?''

Regulators in Nevada, Ohio and elsewhere have begun examining possible violations of state confidentiality laws or regulations protecting medical records. Legislators in Virginia, New York and elsewhere also have begun considering laws that would give their states more control over pharmacy benefit managers.

''By what authority do these companies believe they have a right to collect this information?'' asked Charles Young, executive director of the Massachusetts Board of Registration in Pharmacy. ''And once they get it, how are they using it? Is it in the best interest of the patients? Or is it in the best interest of the company?''

Pharmacy benefit managers have been in business for more than two decades. They began playing a more central and controversial role in health care just a few years ago.

That's when drug manufacturers and pharmacy chains—including CVS, Rite Aid and others—began spending billions of dollars to acquire such companies as part of the race to capture a larger share of the fast-growing market for prescription drugs.

Improvements in computer technology also made it vastly easier to gather, store and track information about patients. This technology has become widespread in recent years, in part because of the plummeting cost of data storage and steady increases in computer processing speeds.

New benefit management companies popped up everywhere. Now more than 150 pharmacy benefit managers manage 1.8 billion prescriptions every year, and the number of people who use prescription cards has more than doubled since 1990 to more than 150 million, according to the industry association. At the same time, the proportion of prescriptions covered at least in part by managed care has soared from about one in four to almost two of every three, according to IMS Health Inc., a health care information company.

The market for prescription drugs is worth more than $81 billion annually, more than twice the amount at the beginning of the decade. Officials at the benefit management companies say that figure would be significantly higher without them. Studies by the General Accounting Office, the Congressional Budget Office and other researchers tend to support that contention.

A GAO report said that three plans in the Federal Employees Health Benefits Program estimated benefit managers saved up to $600 million in overall spending in 1995 ''by obtaining manufacturer and pharmacy discounts and managing drug utilization.'' The report also found a ''high degree of satisfaction'' among Federal employees with pharmacy benefit management services.

A more recent analysis by the Congressional Budget Office concluded that pharmacy benefit managers have helped to slow the rising cost of prescription drugs. The authors suggested in July that the benefit managers accomplished this by directing doctors and pharmacists to use certain lower-cost drugs.

''We're achieving the dual objective of ensuring appropriate care for patients, while at the same time reducing pharmaceutical costs for health plans,'' said Blair Jackson, spokesman for PCS Health Systems.

To assess the impact of the benefit management revolution on personal privacy, it is necessary to understand how the system works. But that's not easy. Even many regulators and doctors have only recently begun to sort out how these companies gather, use and resell patient information.

To many consumers, the process is almost invisible, even though in most cases they have given their consent by signing up for a health plan, industry officials say.

It starts when someone uses a prescription card to get medication. Their information is electronically messaged to their health plan's benefit manager, a transaction that in most instances takes seconds. A computer checks to see if the medication is covered and whether the drug is safe for a particular patient, in many cases as the patient waits for the prescription to be filled.

The computers also match the prescription against a formulary, a list of medications the benefit managers have arranged for health plans to buy at a lower cost or that have been determined to be more effective. Health plans often get the discounts by pledging to use certain drugs exclusively. Sometimes the pharmaceutical companies give rebates as their drugs are dispensed, industry officials said.

These formularies are the cornerstone of efforts to control drug costs. They also are a contentious issue. Critics, including some federal and state regulators, contend that benefit managers appear to have shown a bias toward the products of their parent companies.

A study two years ago by the office of the public advocate for the city of New York, for example, found that benefit managers steered doctors and patients toward their parent companies' drugs, an allegation that the benefit managers deny. Public Advocate Mark Green said the companies should not have such sweeping access to patient records.

They ''are using medical histories of millions of unsuspecting patients. This is as little known as it is wrong,'' Green said. ''It would be hopelessly naive to trust the voluntary virtue of these PBMs.''

If the benefit manager's computer approves a transaction, an affirmative message is sent back to the pharmacist. But if it determines that a less expensive drug can be safely switched, that suggestion is sometimes flashed back. PCS offers pharmacists up to $12 to secure approval from a patient and the patient's doctor for a ''therapeutic interchange'' of certain drugs. A change can't be made without such approval, PCS officials said.

Meanwhile, a patient's information is stored in various computers, including data warehouses operated by the benefit managers. The technology allows the benefit managers to keep close track of individuals. In some cases, they remind patients to refill prescriptions and take their medicine at appropriate intervals, Medical officials say that up to half of all patients with some conditions—such as hypertension or high cholesterol—fail to take their medicine as prescribed.

The benefit managers also can track people with chronic illnesses and offer suggestions about their care. These increasingly common efforts are known as ''disease management'' programs. One of the problems with these programs is the risk of misidentifying a person's ailment. Medical specialists say that's because certain drugs can be used to treat different problems.

Kelly, the Texas woman, said she was mistakenly enrolled in a program called ''Journeys: Paths Through Depression.'' She took antidepressant medicine because she was having trouble sleeping because of menopause, she said, not because she was mentally ill. Karen Hill, the physician who was treating Kelly at the time, confirmed Kelly's account.

In the letter, the company acknowledged the possibility of making an incorrect assumption about a patient's ailment and said those who have questions should consult their doctor.

Kelly said she had no idea when she enrolled in her health plan that it would open the way to close scrutiny of her prescriptions.

''Mainly, what you're looking at is what you get and what you pay. I wasn't even thinking about personal information going out,'' Kelly said. ''With managed care, I know it's getting more convoluted. But this never occurred to me.''

Motorola officials said there was no reason for such anxiety. They described the PCS effort as a ''stigma-free mental health'' program that provides employees with help and educational material about depression. So far, 167 of the 5,721 employees enrolled in the program have opted out.Connie Giere, a benefit official at Motorola, said information about patients is protected. ''Obviously, we own that data,'' she said. ''But we have chosen not to receive that data because it's counter to our philosophy of confidentiality.'' Motorola officials said the company chooses only to receive general reports about trends, not the names of employees or other personal information.

Pharmacy benefit managers also routinely urge doctors to change a patient's medicine to a brand or generic drug that the companies believe is less expensive or more effective. The benefit managers contact patients and doctors through letters, telephone calls and faxes. Some benefit managers also send messages to pharmacists as patients wait for their prescription.

Bernard Steverding of Fairfax County received a letter several months ago that said the prescription he was taking to lower his cholesterol had been changed by a pharmacy benefit manager to another drug. The letter he received was typical, but it made him furious.

The letter, from a company now called Express Scripts/ValueRx, said: ''When we find a medicine that we believe to be better for a particular patient, we review the patient's medication profile and then confirm with the prescribing physician that a change of medication is appropriate. We know that the only way to help control prescription drug costs is in partnership with you and your doctor.''

Steverding and his wife said the letter arrived after the new prescription was filled and the change was made without his consent. Souzana Steverding said her husband wasn't sure if he should take the new drug concurrently with the remaining pills he had under the old prescription. ''We got this new prescription and didn't even know what it was for,'' she said. ''Nobody told us you can't take these two together.''

Dan Cordes, a vice president at Express Scripts/ValueRx, said Steverding had given

his consent to the program by signing up with his health insurance plan, which authorized the collection of his prescription information. Cordes said Steverding's doctor approved the switch. ''It's a totally voluntary program,'' Cordes said.

Officials at benefit managers say they take great care with the information they collect and understand its sensitivity. At PCS, for example, employees must sign a pledge that they will respect the confidentiality of personal records. Patient information also is encrypted or depersonalized whenever PCS transmits it.

''We clearly recognize that by being a part of the health care system we have to abide by this type of ethics,'' said Nick Schulze-Solce, a vice president for health management services at PCS.

But given the limited oversight by state and federal authorities, there's no way to guarantee information will be used appropriately. In Las Vegas last year, patients who shopped at three independent drug stores later received $5 coupons and promotional fliers in the mail from a pharmacy chain, American Drug Stores. Among them was Mary Grear, a pharmacist and owner of the independent stores.

Grear wondered why she and so many of her customers received the same flier. By looking in her own computers, she discovered they all had the same pharmacy benefit manager, a company owned by American Drug Stores. She complained to state authorities, who confirmed this spring that a pharmacy benefit manager owned by American Drug Stores had passed along the names and other information from confidential prescription records.

Grear said she was outraged, both as a patient and a pharmacist.

''I mean, it's medical information. That's how it should be used. It isn't for marketing,'' Grear said. ''I believe it's between me and my health professional.''

State authorities also were unsettled.

''Something like this has never happened before,'' said Larry L. Pinson, president of the Nevada State Board of Pharmacy, who described the prescription records involved as ''very, very private medical histories.''

In response, regulatory officials in Nevada recently sent out a stern letter to 275 pharmacy benefit managers and other administrators, warning that many of the companies' activities may be illegal. ''You are now on notice,'' the letter said, ''and the board hopes that these illegal practices will now stop.''

Dan Zvonek, a spokesman for American Drug Stores, said the sharing of patient records by the companies was a mistake that would not happen again.

He acknowledged that pharmacy benefit companies are struggling with privacy issues, trying to determine what's appropriate as financial matters take an ever larger role in decision making.

''You run this risk of stepping over those boundaries of confidentiality. But no one knows where those boundaries are,'' Zvonek said. ''You running a risk of ignoring the health care aspect and focusing on profit.''

One source of profit for the benefit managers is the resale of aggregations of patient data. Although benefit managers remove patient names and other personally identifying information from the records, such data has become increasingly valuable for drug companies and health researchers.

During companies mine the data, for example, to track how much a health plan spends on each specific drug and to try to document whether treatment resulted in the desired outcome. They also use the information to measure the success of direct marketing campaigns and to focus sales forces on doctors who prescribe certain medicines.

Raymond Gilmartin, chief executive of Merck & Co., the giant pharmaceutical company that owns Merck-Medco, said that by monitoring how diabetics take their medication, the firm can save health plans $260 a year per diabetic by keeping them well—and out of the hospital.

''This is exiting stuff,'' Gilmartin said. ''This is the information everyone is looking for and that everyone wants.''

Among the many unresolved questions posed by benefit mangers is who has the final say on how personal date is used and maintained. In most cases, according to Schulze-Solce, the health plan that has contracted with a benefit manager to gather the information owns the information.

In many cases that owner is an employer that provides it own health insurance.

''That of course is something that needs to be recognized,'' said Schulze-Solce. ''For society, it is important to get their arms around that because that is a potential source of leak. . . . In theory, [privacy] is depending on the self-discipline of those companies.''

In any case, officials at pharmacy benefit managers said patients, doctors and the rest of the medical community might as well get used to them. Not only are they increasingly important to the health care system, but they're not going away anytime soon.

As medical professionals come to rely on a person's genetic history to recommend treatments, even more detailed data will be needed to provide proper care. Schulze-Solce said pharmacy benefit managers will be expected to help fill that need.

He likened the development of pharmacy benefit managers to the evolution of nuclear bombs: ''In the case of nuclear weapons, you try to contain the risk,'' he said. ''Trying to go back is moot.''

MULTIPLE CHEMICAL SENSITIVITY

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. SANDERS. Mr. Speaker, I rise today to discuss the issue of Multiple Chemical Sensitivity as it relates to both our civilian population and our Gulf War veterans. I continue the submission for the RECORD the latest ''Recognition of Multiple Chemical Sensitivity'' newsletter which lists the U.S. federal, state and local government authorities, U.S. federal and state courts, U.S. workers' compensation boards, and independent organizations that have adopted policies, made statements, and/or published documents recognizing Multiple Chemical Sensitivity disorders for the benefit of my colleagues.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

In a letter from HUD Assistant Secretary Timothy Coyle to Senator Frank Lautenberg, confirming HUD recognition of ''MCS as a disability entitling those with chemical sensitivities to reasonable accommodation under Section 504 of the Rehabilitation Act of 1973'' and also ''under Title VIII of the Fair Housing Amendments Act of 1988'' [26 October 1990, 2 pages, R–13]. This was followed by a formal guidance memorandum from HUD Deputy General Counsel G.L. Weidenfeller to all regional counsel, detailing HUD's position that MCS and environmental illness ''can be handicaps'' within the meaning of section 802(h) of the Fair Housing Act and its implementing regulations [1992, 20 pages, R–14]. Also recognized in a HUD Section 811 grant of $837,000 to develop an EI/MCS-accessible housing complex known as ''Ecology House'' in San Rafael, CA, consisting of eleven one-bedroom apartments in a two-story complex. This grant was pledged in 1991 and paid in 1993. [2 pages, R–15] (See also Recognition of MCS by Federal Courts, Fair Housing Act, below.)

U.S. DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE

In response to a disability rights complaint filed against the Baltimore County Parks and Recreation Department (BCPRD) by Marian Arminger on behalf of her three children, which the National Park Service (NPS) accepted for review pursuant to both Section 504 of the Rehabilitation Act and Title II of the Americans with Disabilities Act. The Acting Equal Opportunity Program Manager of the NPS ruled that ''the BCPRD must accept the determination of disability by the Baltimore County Public Schools [BCPS, see US Department of Education, above] regarding the children and their disability of MCSS [MCS Syndrome]. This will eliminate possible retaliation with a different conclusion by the same public entity.'' [Case #P4217(2652), 1996, 4 pages, R–102]. The NPS further ruled that ''With the determination that these children are individuals with a disability (MCSS), it is necessary to make reasonable modifications to program facilities. It appears that discontinuing, temporarily or permanently, the use of outside or inside pesticide application and toxic cleaning chemicals is the basic reasonable modification necessary in this case. . . . Therefore we believe that steps should be taken by the BCPRD to provide the necessary communication with other affected agencies such as the BCPS and develop, in consultation with the parents and others deemed appropriate, a plan for the reasonable modification of the program environment for these children.''

U.S. DEPARTMENT OF JUSTICE

In its enforcement of the Americans with Disabilities Act of 1990, under the terms of which MCS may be considered as a disability on a case-by-case basis, depending—as with most other medical conditions—on whether the impairment substantially limits one or more major life activities. The Office of the Attorney General specifically cites ''environmental illness (also known as multiple chemical sensitivity)'' in its Final Rules on ''Non-Discrimination on the Basis of Disability in State and Local Government Services'' (28CFR35) and ''Non-Discrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities'' (28CFR36), as published in the *Federal Register*, Vol. 56, No. 144, pages 35699 and 35549 respectively [26 July 1991, 2 pages, R–16]. ''Environmental illness,'' also is discussed in the *ADA Handbook*, EEOC–BK–19, 1991, p. III–21 [14 page excerpt, R–17], jointly published by the Department and the U.S. Equal Employment Opportunity Commission. The *ADA Handbook* describes environmental illness as ''sensitivity to environmental elements'' and, although it ''declines to state categorically that these types of allergies or sensitivities are disabilities,'' it specifically asserts that they may be: ''Sometimes respiratory or neurological functioning is so severely affected that an individual will satisfy the requirements to be disabled under the regulations. Such an individual would be entitled to all the protections afforded by the Act.''

U.S. DEPARTMENT OF VETERANS AFFAIRS

In recognizing MCS as a medical diagnosis (although not as a ''disability'') in the case of at least one Persian Gulf War veteran [Gary Zuspann, October 1992, 3 pages, R–18].

It is impossible to know exactly how many other Persian Gulf veterans may have been diagnosed with MCS as the diagnostic data recorded in the VA's Persian Gulf Registry are based on the International Classification of Diseases (ICD–9CM), which does not yet include a specific code for MCS. In June 1997, VA released its ''Environmental Hazards Research Centers' Annual Reports for 1996.'' These included preliminary data from the New Jersey EHRC showing that, of the 1161 veterans randomly selected from the VA's Persian Gulf Registry (living in NJ, NY, CT, MA, MD, DE, IL, VA, OH or NC) who completed the center's questionnaire, 12.5% ''endorsed symptoms compatible with a conservative definition of MCS'' [1997, 5 page excerpt, R–144]. When the NJ EHRC published its first report on this study, however, in an abstract entitled ''Preliminary prevalance data on Chronic Fatigue Syndrome and Multiple Chemical Sensitivity,'' it said 26% of 104 veterans randomly selected from the VA Register ''were especially sensitive to certain chemicals, and 4% reported that this snsitivity produced at least 3 of 4 lifestyle changes . . . suggesting that something about serving in the Gulf substantially increased the risk of developing CFS and MCS'' [1996, Journal of CFS, 2(2/3): 136–137; R–177]

U.S. ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF POLLUTION, PREVENTION AND TOXINS, HEALTH EFFECTS DIVISION, OCCUPATIONAL AND RESIDENTIAL EXPOSURE BRANCH, SPECIAL REVIEW AND REGISTRATION SECTION

In a peer-reviewed memorandum entitled ''Review of Chlorpyrifos Poisoning Data'' from EPA's Jerome Blondell, PhD, MPH, and Virginia Dobozy, VMD, MPH, to Linda Propst, Section Head, Reregistration Branch. The memo discusses data from several sources on acute and chronic health effects, including MCS, associated with exposure to Dursban and other chlorpyrifos-containing pesticides, and recommends many changes (subsequently agreed to by DowElanco, the manufacturer) in the use and marketing of these products, including the phase out of all indoor sprays and foggers, consumer concentrates, and all pet care products except flea collars. Most significantly, the memo documents that of 101 cases of unambiguous chlorpyrifos poisoning reportedly directly to EPA in 1995, 38 had chronic neurobehavioral effects (including 4 who also had peripheral neuropathy), while 50 ''reported symptoms consistent with multiple chemical sensitivity'' [1977, 70 pages, R–145].

U.S. ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF RADIATION & INDOOR AIR, INDOOR AIR DIVISION

In its August 1989 *Report to Congress on Indoor Air Quality,* entitled *Assessment and Control of Indoor Air Pollution* (EPA/400/1–89/001C), the Environmental Protection Agency's Indoor Air Division describes MCS as ''a subject of considerable intra professional disagreement and concern (Cullen, 1987). While no widely accepted test of physiologic function has been shown to correlate with the symptoms, the sheer mass of anecdotal data is cause of concern.'' [14 page excerpt from Vol. 2, R–19]. In 1991, the Indoor Air Division asked the National Research Council to sponsor a scientific workshop on ''Multiple Chemical Hypersensitivity Syndrome'' the proceedings of which are published in *Multiple Chemical Sensitivities: Addendum to Biologic Markers in Immunotoxicology* [National Academy Press, 1992].

U.S. ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF RESEARCH & DEVELOPMENT

Descries ''chemical sensitivity'' as an ''ill-defined condition marked by progressively more debilitating severe reactions to various consumer products such as perfumes, soaps, tobacco smoke, plastics, etc.'' in *The Total Exposure Assessment Methodology (TEAM) Study,* Summary and Analysis: Volume 1, by L. Wallace, Project Officer, Environmental Monitoring Systems Division, EPA Office of Research and Development [1987, 2 page excerpt, R–20]. The Office of Research and Development (ORD) began conducting human subjects chamber research at its Health Effects Research Branch in Chapel Hill (NC) in 1992 to identify possible diagnostic markers of MCS. (See also joint entry under U.S. Consumer Product Safety Commission, above.) In the justification for its fiscal year 1998 budget, ORD devotes one paragraph to MCS in the section on Air Toxins, saying that it plans to release ''information comparing individuals who identify themselves as belonging to a particular subgroup (multiple chemical sensitivity) against established norms for a variety of health-related endpoints,'' and will make ''recommendations for follow up to evaluate the potential relationship between the signs/symptoms reported by these individuals and objective/quantitative health endpoints'' [1997, 3 page excerpt, R–160].

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

In the *ADA Handbook* EEOC-BK-19 [1991], 14 page excerpt, R–17], jointly published by the EEOC and the Department of Justice (see above) and in a Determination Letter signed by Issie L. Jenkins, the director of the Baltimore District Office, recognizing MCS as a disability under the Americans with Disabilities Act requiring workplace accommodation, consisting in this case of a private office with an air filter, *Mary Helinski* v. *Bell Atlantic,* No. 120 93 0152, 17 May 1994 [2 pages, R–22].

FEDERAL COORDINATING COUNCIL FOR SCIENCE, ENGINEERING, AND TECHNOLOGY, SUBCOMMITTEE ON RISK ASSESSMENT, WORKING PARTY ON NEUROTOXICOLOGY

In its *Final Report: Principles of Neurotoxicology Risk Assessment,* published in the Federal Register by the US EPA's Office of Health Research [17 August 1994, 45 pages for entire report, R–161, or 3 page excerpt, R–162], which says in Section 2.5.1 on ''Susceptible Populations'' that: ''Although controversial [Waddell 1993], recent evidence suggests that there may be a subpopulation of people who have become sensitive to chemicals and experience adverse reactions to low-level exposures to environmental chemicals [Bell et al 1992].'' The report is ''the result of the combined efforts of 13 Federal agencies comprising the ad hoc Interagency Committee on Neurotoxicology,'' including ATSDR, the Center for Food Safety and Applied Nutrition, Center for Biologies Evaluation and Research, Center for Drug Evaluation and Research, Consumer Product Safety Commission, Dept of Agriculture, Dept. of Defense, Environmental Protection Agency, National Center for Toxicological Research, National Institutes of Health, National Institute of Occupational Safety and Health, and the National Toxicology Program.

FEDERAL INTERAGENCY WORKGROUP ON MULTIPLE CHEMICAL SENSITIVITY

Formed in 1994 to review and coordinate the role of federal agencies involved in research on multiple chemical sensitivity [1 page agenda from 9/14/94 meeting, R–91]. The Work Group is so-chaired by Dr. Barry Johnson, Assistant Surgeon General and Assistant Administrator of the Agency for Toxic Substances and Disease Registry (ATSDR) and Dr. Richard Jackson, Director of the National Center for Environmental Health at the Centers for Disease Control and Prevention. Other agencies represented include the Departments of Energy, Defense, and Veterans' Affairs, the Environmental Protection Agency and two other institutes within the Department of Health and Human Services: the National Institute for Occupational Safety and Health, and the National Institute of Environmental Health Sciences. Draft report is expected to be released by ATSDR in September 1998 for a 60-day public comment period.

NATIONAL COUNCIL ON DISABILITY (AN INDEPENDENT FEDERAL AGENCY)

In ADA Watch—Year One, its ''Report to the President and Congress on Progress in Implementing the Americans with Disabilities Act,'' which recommends that Congress and the Administration ''should consider legialtion to address the needs of people with ''emerging disabilities,'' such as those . . . ''with environmental illness who are severely adversely affected by secondary smoke or other pollutants in public places'' [5 April 1993, 8 pages, R-23].

PRESIDENT'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES

In its report to the President, entitled *Operation People First: Toward a National Disability Policy,* which recommends that the federal government ''develop, refine and better communicate methods of 'reasonable accommodation,' in particular, the accommodation needs of people with . . . chronic fatigue syndrome and multiple chemical sensitivity'' [1994, 5 pages, R-24] encouraging the Deputy Ministers of Housing, Health Community and Social Services ''to begin a consultative process and help to establish some guidelines'' spelling out exactly what services and benefits are available to provincial residents with MCS, including possible admission to treatment facilities in the United States [27 October 1989, 2 page letter and 2 pages of press coverage from the *Globe & Mail,* R–158].

RECOGNITION OF MCS BY 28 U.S. STATE AUTHORITIES

ARIZONA TECHNOLOGY ACCESS PROGRAM, INSTITUTE FOR HUMAN DEVELOPMENT, NORTHERN ARIZONA UNIVERSITY

In a report written for the general public entitled *Topics: Multiple Chemical Sensitivity* with sections on What is MCS, Symptoms of MCS, People Diagnosed with MCS, What Can Cause MCS, Treatments, MCS and the Medical Community, MCS is Now Recognized as a Disability, Accommodating Individuals with MCS in the Workplace, MCS is Preventable, and a list organizations and government agencies to contract for Help and Information. Funding for this document was provided by the US Dept of Education National Institute on Disability and Rehabilitation Research (NIDRR), grant #H224A40002, but a disclaimer notes that the content does not necessarily reflect the views of the US government [October 1996, 11pages, R-129].

ARIZONA DEPARTMENT OF ECONOMIC SECURITY, REHABILITATION SERVICES ADMINISTRATION, AND STATEWIDE INDEPENDENT LIVING COUNCIL

In RSA's Interim Fiscal Year 1995 State Plan for Independent Living, specifying that ''Services Related to Housing'' include ''modifications to accommodate people with EI/MCS'' [Attachment 12, 1 October 1994, 7 pages, R-31] and in an administrative review decisions issued 22 June 1992 in the case of a vocational rehabilitation client determined to be ''severely disabled'' by ''environmental illness, allergies.'' In addition, training on MCS was presented to both Vocational Rehabilitation and ILRS counselors at the 1994 state staff conference.

ATTORNEY GENERAL OF CALIFORNIA

In the final report of the *Attorney General's Commission on Disability,* recognizing environmental illness as a disabling condition [1989, 8 page excerpt, R-33].

ATTORNEYS GENERAL OF NEW YORK

Backed by 25 other Attorneys General from AL, AZ, CT, FL, IA, KS, MA, MN, MO, ND, NJ, NM, NV, OH, OK, OR, PA, SD, TN, TX, UT, VT, WA, WI, WV.)

In a thoroughly documented petition to the U.S. Consumer Product Safety Commission, requesting the issuance of safety standards and warning labels governing the sale of carpets, carpet adhesives and paddings suspected of causing MCS and other illness [1991, 1 page excerpt, R–32a, 350 pages total].

CALIFORNIA DEPARTMENT OF HEALTH SERVICES, ENVIRONMENTAL HEALTH INVESTIGATIONS BRANCH

In its extensive final report on ''Evaluating Individuals Reporting Sensitivities To Multiple Chemicals,'' funded by the federal Agency for Toxic Substances and Disease Registry under Cooperative Agreement No. U61/ATU999794–01 [September 1995, 6 page excerpt including abstract, advisory panel members, and table of contents, R–34]. A cover letter sent by the EHIB to the project's Advisory Panel members notes the extraordinary preliminary results obtained from an annual survey of random Californians to which questions about MCS were added for the first time in 1995. Of the first 2,000 people surveyed, 16% reported suffering from MCS symptoms while 7% (''certainly far higher than any of us may have expected'') claim they have been diagnosed with MCS by a physician. [3 October 1995, 2 pages, R–100]. Citing personal communication with Dr. R. Kreutzer, the acting chief of the EHIB (also confirmed with Dr. Kreutzer by MCS R&R), Dr. Ann McCampbell reported the study's final results in a letter to the editor published by *Psychosomatics* (38(3): 300–301, May-June 1997): of 4,000 people surveyed, 15.9% reported chemical sensitivity and 6.3% said they had been given the diagnosis of MCS by a physician [1997, 1 page, R–141].

CALIFORNIA ENERGY COMMISSION

In its report on *California's Energy Efficiency Standards and Indoor Air Quality* (#P400–94–003), which says of MCS that ''Its increasing incidence is suggested as accompanying the increasingly wide-spread use of products manufactured with potentially toxic chemical constituents. Available information points to this condition as an acquired disorder usually resulting from prior sensitization to chemicals in the environment'' [1994, 2 page excerpt, R–35].

CALIFORNIA LEGISLATURE, SENATE SUBCOMMITTEE ON THE RIGHTS OF THE DISABLED

In its final report on *Access for People with Environmental Illness/Multiple Chemical Sensitivity and Other Related Conditions,* chaired by Senator Milton Marks, that summarizes four years of investigations by the subcommittee, [30 September 1996, 26 pages, R–109]. The report addresses common barriers to access in public buildings, transportation, institutions, employment, housing, and present detailed suggested solutions, both those required under law and others recommended. It covers the work of the subcommittee, its outside Advisory Panel, and its MCS Task Forces (on Building Standards and Construction, Environmental Illness, Industry, Medicine and Health).

FLORIDA STATE LEGISLATURE

In legislation that created a voluntary Pesticide Notification Registry for persons with pesticide sensitivity or chemical hypersensitivity, as long as their medical condition is certified by a physician specializing in occupational medicine, allergy/immunology or toxicology [Florida Statute 482.2265(3)(c), 1989, 7 pages, R–38]. The legislation requires lawn-care companies to alert registry members 24 hours in advance of applying chemicals within a half-mile of their home. Note that pesticide sensitivity registries also have been adopted in CO, CT, LA, MD, MI, NJ, PA, WA [1992, 6 pages, R–149], WV and WI, but these do not refer specifically (by any name) to MCS-type illness, and most require notification only of adjacent properties.

INTRODUCTION OF RESOLUTION SUPPORTING THE HAN YOUNG WORKERS

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Ms. LOFGREN. Mr. Speaker, I rise today to introduce a resolution on behalf of workers who are on strike to improve conditions at the Han Young truck factory in Tijuana, Mexico. Congress has a moral obligation to support these workers, who are fighting for their basic democratic rights.

The Han Young factory is a contract factory that assembles truck trailer chassis for the Hyundia Corporation. The workers of the Han Young factory, consistent with their rights under Mexican law, formed a union to address issues like low wages and worker safety. However, the management of the Han young factory has refused to bargain with the union and local officials failed to recognize the union. Since May of 1998, eighty Han Young workers have been on strike to protect their basic right to organize.

Under the procedures outlined in the North American Free Trade Agreement, the United States National Administrative Office (NAO) in the Department of Labor has conducted a review of the conditions at the Han Young factory. The NAO found consistent and credible reports of a workplace polluted with toxic airborne contaminants, operating with unsafe machinery, and numerous violations of health and safety standards. The workplace of the Han Young workers lacked even ''adequate sanitation facilities for workers to relieve themselves'' or even ''get a drink of water.''

Our trading partners must address the issue of worker's democratic rights. In the case of Mexico this means enforcing already existing labor laws. It is vital that we in Congress send a strong message in support of the Han Young workers. I hope that you will join me in support of the Han Young workers.

COLONEL JAMES R. MARSHALL

HON. NORMAN SISISKY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 13, 1998

Mr. SISISKY. Mr. Speaker, I want to recognize the honorable, selfless, and dedicated service to this country by Colonel James R. Marshall, who will be retiring from the U.S. Air Force on January 1, 1999 after over 28 years of military service. Colonel Marshall began active duty in the Air Force on August 22, 1970, after graduating from the Virginia Military Institute.

Colonel James R. Marshall distinguished himself by performing exceptionally meritorious services to the United States while serving in positions of increasing responsibility culminating as the Director, Environmental Restoration Program and Acting Assistant Deputy Under Secretary of Defense for Environmental Cleanup. During this period, his outstanding leadership and devoted service to the Office of the Secretary of Defense, the Department of Defense, the Services and the United States of America have been of the highest tradition of senior members of the United States Armed Forces.

From his first assignment as a Communications Maintenance Officer in Montana to his last in the Pentagon, Colonel Marshall distinguished himself by his ability, diligence and selfless devotion to duty. His assignments took him to across the U.S. to Montana, New Jersey, Ohio, California, Hawaii, Georgia and Virginia as well as overseas to the Philippines and England.

The exemplary ability, diligence, and devotion to duty of Colonel Marshall were instrumental factors in the resolution of many complex problems of major importance to the Air Force and the Department of Defense. As Commander of the Civil Engineer Squadron and the Base Civil Engineer at Mather AFB, from July 1987 to August 1990, he superbly provided direct, day-to-day management of installation engineer projects and programs and well as ensured that his personnel were trained and ready to meet mission requirements. The fact that he guided his unit to earn the Installation's Heating, Ventilation and Air Conditioning Award attested his keen sense of environmental awareness as well as his interest in conserving resources.

In 1990, Colonel Marshall became the first Director for Environmental Management for the U.S. Pacific Air Force. While serving as the Director, from August 1990 to August 1993, he developed and established a program to oversee the closure of Clark Air Force Base in the Philippines. He readily identified environmental work that needed to be accomplished and successfully obtained a 70 percent increase in funding for the Environmental Program. Of particular note, Colonel Marshall ensured that hazardous material and hazardous waste was accounted for and properly disposed of, to include proper annotation of PCB's on the installation prior to base closure.

Following his assignment in the Philippines, he served as the Director of Environmental Management at Warner Robbins Air Force Base, GA from August 1993 to June 1995. Under his superb leadership and environmental stewardship, Warner Robbins Air Force Base won the coveted Department of Defense Environmental Award for the best Environmental Program in 1994. He was also instrumental in obtaining funding to repair damage following the severe flooding caused by Hurricane Andrews in 1994. In addition to the providing oversight for repair of flood damaged facilities and proper disposal of hazardous materials, he identified requirements for, successfully designed, and found funding for a new state of the art hazardous materials storage facility which serves the base today.

Colonel Marshall's superior performance as a Director of Air Force Environmental Management Programs resulted in his selection to

serve as the Environmental Restoration program manager for the Deputy Under Secretary of Defense for Environmental Security's Environmental Restoration Program. He was instrumental in the development and coordination of the ''Department of Defense Environmental Restoration'' Instruction, which was published in April 1996. This hallmark publication implemented and refined policies as well as prescribed procedures for the Defense Environmental Restoration Program, funded by environmental restoration accounts, and the Base Realignment and Closure environmental restoration program. Additionally, he developed and coordinated a publication, ''Management Guidance for the Defense Environmental Restoration Program,'' published in March 1998. The two publications serve as cornerstones for the entire Department of Defense Environmental Restoration Program.

As the Acting Assistant Deputy Under Secretary of Defense for Environmental Cleanup, Colonel Marshall was a key player in the complete integration of realistic environmental cleanup funding requirements into the Department of Defense's Planning, Programming and Budget System Process. This herculean achievement resulted in the creation of planning and budgeting documentation as well as development of reporting systems to forecast requirements using reliable data from over 1700 Department of Defense installations and 9000 formerly used Department of Defense properties. In addition, he was instrumental in the development and implementation of measures of merit, based on site level data, to measure past progress and to project future performance of the Department of Defense Environmental Restoration Program against Defense Goals. His efforts resulted in stable funding for the Department of Defense Environmental Restoration Program.

Throughout his military career he has brought innovative leadership skills to each of his assignments. He routinely demonstrated a superb ability to combine his extensive program management skills with certain intangibles that constitute leadership, promoting the best efforts of the Department of Defense's Environmental Restoration Program staff on a daily basis. He has gained the trust and confidence of everyone involved in this effort from installation commanders, to congressional representatives by building consensus among those with competing agendas.

As a cadet at the Virginia Military Institute, an old and respected institution that has produced many fine leaders, Colonel Marshall absorbed a heritage of duty, honor, and country that he has more than fulfilled. The singularly distinctive accomplishments of Colonel Marshall culminate a long and distinguished career in the service of his country and reflect great credit upon him, the United States Air Force, the Department of Defense and his country.

AUTHORIZING THE COMMITTEE ON THE JUDICIARY TO INVESTIGATE WHETHER SUFFICIENT GROUNDS EXIST FOR THE IMPEACHMENT OF WILLIAM JEFFERSON CLINTON, PRESIDENT OF THE UNITED STATES

SPEECH OF

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in strong opposition to the Republican's Impeachment Inquiry Resolution.

Like so many Americans, I personally am disappointed by the President's conduct. The President demonstrated an extraordinary lack of judgment and respect for his family, the Presidency, and the American people.

The President's actions were wrong. But, as many Americans have indicated, they hardly warrant impeachment.

In pursuing their partisan attack on the President, Republicans are trivializing the impeachment standard. It is an insult to the traditions of this Chamber that the majority party allowed only two hours of debate on such a critically important matter as impeaching the President of the United States.

The power to impeach and remove a sitting President from office is one of the most important Constitutional responsibilities our Founding Fathers assigned to Congress. In the more than 200 years of our nation's history, the House has faced this weighty decision only twice. As elected officials we cannot take this matter lightly. To do so would degrade and undermine our judicial system and the U.S. Constitution.

And what about the Americans who voted to elect the President? While many Americans are unhappy with the President's actions, they are even more unhappy with the way the House is handling the matter. Many of my constituents—both Democrats and Republicans—have written to tell me that they are sick of this issue, do not appreciate the constant barrage of graphic details and want the President and Congress to do the work they were elected to do.

I couldn't agree more. Americans are far more interested in the status of our economy, reforming health care, reducing crime, improving our schools and preserving Social Security than the President's personal improprieties.

Does Congress have a duty to fully investigate any actual wrongdoings by the President? Of course. But this investigation must be based on facts, not politics.

I urge a no vote on the resolution.

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S12437–S12462

Measures Reported: Reports were made as follows:

H.R. 1903, to amend the National Institute of Standards and Technology Act to enhance the ability of the National Institute of Standards and Technology to improve computer security. (S. Rept. No. 105–412) **Page S12455**

Measures Passed:

Rhino and Tiger Product Labeling Act: Committee on Environment and Public Works was discharged from further consideration of H.R. 2807, to amend the Rhinoceros and Tiger Conservation Act of 1994 to prohibit the sale, importation, and exportation of products labeled as containing substances derived from rhinoceros or tiger, and the bill was then passed after striking all after the enacting clause and inserting in lieu thereof the text of H.R. 2863, to amend the Migratory Bird Treaty Act to clarify restrictions under that Act on baiting, and to facilitate acquisition of migratory bird habitat, after agreeing to a committee amendment and the following amendments proposed thereto: **Pages S12438–42**

DeWine (for Chafee) Amendment No. 3819, to incorporate other wildlife-related and water-related provisions. **Pages S12438–39**

DeWine (for Chafee) Amendment No. 3820, to increase and change the application of the criminal penalty provisions. **Pages S12438–39**

Subsequently, H.R. 2863 was returned to the Senate Calendar. **Page S12442**

Salton Sea Reclamation: Senate passed H.R. 3267, to direct the Secretary of the Interior, acting through the Bureau of Reclamation, to complete a feasibility study relating to the Salton Sea, after agreeing to the following amendment proposed thereto: **Pages S12461–62**

Gorton (for Kyl) Amendment No. 3821, in the nature of a substitute. **Pages S12461–62**

Securities Litigation Uniform Standards Act—Conference Report: Senate agreed to the conference report on S. 1260, to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law. **Pages S12444–50**

Messages From the House: **Page S12455**

Additional Cosponsors: **Page S12455**

Amendments Submitted: **Pages S12455–59**

Recess: Senate convened at 11 a.m., and recessed at 12:53 p.m., until 12 noon, on Wednesday, October 14, 1998. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S12462.)

Committee Meetings

No committee meetings were held.

House of Representatives

Chamber Action

Bills Introduced: 9 public bills, H.R. 4819–4828; and 2 resolutions, H. Res. 595–596, were introduced. **Pages H10832–33**

Reports Filed: Reports were filed today as follows:

H. Res. 594, providing for consideration of certain resolutions in preparation for the adjournment of the second session sine die (H. Rept. 105–818). **Page H10832**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Petri to act as Speaker pro tempore for today. **Page H20669**

Recess: The House recessed at 9:01 a.m. and reconvened at 10 a.m. **Page H10669**

Suspensions: The House agreed to suspend the rules and pass the following measures:

Vision 2020 National Parks Restoration: S. 1693, amended, to provide for improved management and increased accountability for certain National Park Service programs; **Pages H10678–89, H10787**

Regarding U.S. Citizens of Guam: H. Res. 494, expressing the sense of the House of Representatives that the United States has enjoyed the loyalty of the United States citizens of Guam, and that the United States recognizes the centennial anniversary of the Spanish-American War as an opportune time for Congress to reaffirm its commitment to increase self-government consistent with self-determination for the people of Guam (agreed to by a yea and nay vote of 410 yeas with none voting ''nay'', Roll No. 524); **Pages H10689–91, H10787–88**

American Homeownership: H.R. 3899, amended, to expand homeownership in the United States; **Pages H10691–H10711**

Federal Reports Elimination: S. 1364, amended, to eliminate unnecessary and wasteful Federal reports (agreed to by a recorded vote of 390 ayes to 19 noes, Roll No. 525); **Pages H10711–17, H10788**

Regarding the Year 2000 Computer Problem: H.R. 4756, amended, to ensure that the United States is prepared to meet the Year 2000 computer problem (agreed to by a recorded vote of 407 ayes to 3 noes, Roll No. 526); **Pages H10717–23, H10788–89**

Regarding Executive Branch Travel Reports: H.R. 4805, to require reports on travel of Executive branch officers and employees to international conferences; **Pages H10723–24, H10799**

Wrongfully Expropriated Properties: H. Res. 562, concerning properties wrongfully expropriated by formerly totalitarian governments; **Pages H10724–28, H10799**

Free Elections in Gabon: H. Res. 518, amended, calling for free and transparent elections in Gabon; **Pages H10728–30, H10799**

National Institute of Standards and Technology Authorization: The House agreed to the Senate amendment to H.R. 1274, to authorize appropriations for the National Institute of Standards and Technology for fiscal years 1998 and 1999—clearing the measure for the President; **Pages H10731–34, H10799**

Economic Development Administration Reform: S. 2364, to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965—clearing the measure for the President; **Pages H10734–48**

Health Professions Education Partnerships: S. 1754, amended, to amend the Public Health Service Act to consolidate and reauthorize health professions and minority and disadvantaged health professions and disadvantaged health education programs (agreed to by a yea and nay vote of 303 yeas to 102 nays, Roll No. 527); **Pages H10748–71, H10799–H10800**

Securities Litigation Uniform Standards: The House agreed to the conference report accompanying S. 1260, to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law. Agreed to correct the Statement of Managers (agreed to by a yea and nay vote of 319 yeas to 82 nays, Roll No. 528)—clearing the measure for the President; **Pages H10771–87, H10800–01**

Women's Health Research and Prevention Amendments: S. 1722, to amend the Public Health Service Act to revise and extend certain programs with respect to women's health research and prevention activities at the National Institutes of Health and the Centers for Disease Control and Prevention (agreed to by a yea and nay vote of 401 yeas with 1 voting ''nay'', Roll No. 529)—clearing the measure for the President; **Pages H10789–96, H10801–02**

Drive for Teen Employment: The House agreed to the Senate amendment to H.R. 2327, to provide for a change in the exemption from the child labor provisions of the Fair Labor Standards Act of 1938 for minors between 16 and 18 years of age who engage in the operation of automobiles and trucks—clearing the measure for the President; and **Pages H10796–98**

Importance of African-American Music: H. Con. Res. 27, recognizing the importance of African-American music to global culture and calling on the people of the United States to study, reflect on, and celebrate African-American music. **Pages H10798–99**

Senate Messages: Messages received from the Senate today appear on pages H10717, H10730–31, and H10789.

Referrals: Referrals of Senate measures to House committees appear on page H10832.

Quorum Calls—Votes: Four yea and nay votes and two recorded votes developed during the proceedings of the House today and appear on pages H10787–88, H10788, H10788–89, H10800, H10800–01, and H10801–02. There were no quorum calls.

Adjournment: The House met at 9 a.m. and adjourned at 10:33 p.m.

Committee Meetings

RESOLUTION IN PREPARATION FOR SINE DIE ADJOURNMENT

Committee on Rules: Granted, by voice vote, a rule providing for consideration of a joint resolution appointing the day for the convening of the first session of the 106th Congress, subject to one hour of debate in the House equally divided between the Majority Leader and the Minority Leader or their designees and one motion to recommit. The rule adopts a resolution providing that any organizational caucus or conference in the House of Representatives for the 106th Congress may begin on or after November 18, 1998. The rule adopts a resolution providing for the printing of a revised edition of the Rules and Manual of the House of Representatives for the 106th Congress as a house document. The rule adopts a resolution providing that a committee of two Members of the House be appointed to wait upon the President of the United States and inform him that the House of Representatives has completed its business of the session and is ready to adjourn, unless the President has some other communication to make to them. The rule authorizes the Speaker, Majority Leader, and the Minority Leader to accept resignations and make certain appointments following the adjournment of the second session sine die as authorized by law or by the House. The rule authorizes the chairman and ranking minority member of each standing committee and subcommittee to extend their remarks in the Congressional Record and include a summary of the work of their committee or subcommittee.

COMMITTEE MEETINGS FOR WEDNESDAY, OCTOBER 14, 1998

SENATE

No meetings are scheduled.

House

Committee on House Oversight, to consider pending business, 11 a.m., 1310 Longworth.

Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China, executive, to continue to receive briefings, 10 a.m., H–405 Capitol.

Next Meeting of the SENATE

12 noon, Wednesday, October 14

Senate Chamber

Program for Wednesday: After the transaction of any morning business (not to extend beyond 1 p.m.), Senate may consider any conference reports or legislative or executive items cleared for action.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Wednesday, October 14

House Chamber

Program for Wednesday: Consideration of Suspensions:

1. S. 1397—Centennial of Flight Commemoration Act;
2. H.R. 4243—Government Waste, Fraud and Error Reduction Act;
3. S. 1733—To Ensure that Food Stamp Coupons are not Issued to Deceased Individuals;
4. H.R. 3963—Conveyance of Certain Properties around Canyon Ferry Reservoir, Montana;
5. H.R. 4501—USDA and Interior Study to Improve Outdoor Recreational Facility Access by Persons with Disabilities;
6. H.R. 3878—To Subject Certain Reserved Mineral Interests to the Operation of the Mineral Leasing Act;
7. H.R. 3972—To Prohibit Interior from Charging State and Local Government for Certain Uses of Sand, Gravel, and Shell Resources of the Outer Continental Shelf;
8. H.R. 559—To Add Bronchiolo-Alveolar Carcinoma to Diseases Presumed to be Service-connected for Certain Radiation Exposed Veterans;
9. H.R. 4519—Transfer of the ex-USS *Bowman County* to the USS LST Ship Memorial Inc. Authorization;
10. S. 759—Providing for an Annual Report to Congress Concerning Diplomatic Immunity; and
11. S. 610—Chemical Weapons Convention Implementation Act.

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