Internet to someone else, who could then use them for any number of illegal purposes in complete secrecy—and even access the funds from ATMs around the world.

''Anonymous passbook savings accounts have been a major problem and a critical loophole in the international consensus to combat money-laundering,'' said Stuart Eizenstat, deputy U.S. Treasury secretary. ''This victory represents a clear demonstration of FATF resolve and credibility.''

Forcing Austria to either clean its own house or leave the FATF was viewed as an essential step before the organization releases a list next week of money-laundering havens, or offshore centers deemed to have inadequate laws and financial supervision. The composition of the list has been kept secret, but observers believe it will be heavily weighted with Caribbean and South Pacific island states.

Another possible candidate is Liechtenstein, which a French parliamentary report described as Europe's ''most dangerous money-laundering center.'' The Liechtenstein government, which has already sent some leading citizens to jail, says it is trying to clean up its banking industry.

According to U.S. Treasury officials, Austria has 24 million anonymous passbook accounts, or three for every man, woman and child in the country, signifying that many of them are in the hands of foreigners. The accounts are believed to hold about $100 billion.

The U.S. and other nations have been trying to get Austria to eliminate the accounts for a decade, but it was only in February that the threat of FATF expulsion prompted Vienna to agree to changes. Initial legislative proposals didn't appease the U.S., and the Austrian government—already under heavy diplomatic pressure because of its inclusion of the right-wing Freedom Party in the ruling coalition—quickly relented. On May 25, the financial committee of the lower house of the Austrian Parliament passed the revised bill, to go into effect this fall.

The law calls for anonymous accounts to be eliminated by June 30, 2002. In the interim, many transactions will be prohibited unless the account holder is first identified. ''Austrian books will have to make a fundamental change in the way they do business,'' said Mr. Eizenstat.

In a move parallel to the FATF initiative, the Paris-based Organization for Economic Cooperation and Development is drawing up a list of tax havens that the group believes unfairly divert tax proceeds from developed countries, through the twin lure of low taxes and strict bank secrecy. That list is expected to be released by the end of this month.

Madam Speaker, for the above stated reasons and others, this Member urges his colleagues to support H.Res. 495.

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

Mrs. ROUKEMA. Madam Speaker, I yield myself such time as I may consume.

I would like to conclude by making the following observations. It should be recognized that as the ranking member, as well as the gentleman from Nebraska (Mr. BEREUTER), has already noted, the Committee on Banking and Financial Services on June 8 did report H.R. 3886, the International Counter-Money Laundering Act; and I would hope that we would be able to take action on that and perhaps even expand on it, as a matter of fact.

I also want to point out that while this resolution is a significant step in the right direction, in addition to H.R. 3886, there is other serious action that we must take to fight money laundering crimes; and in that respect, I am fully anticipating that the gentleman from Florida (Mr. MCCOLLUM) and I will be introducing a comprehensive money laundering proposal similar to the administration's bill from last November. We have been working on this for some time, and it will supplement what H.R. 3886 does in the international arena, with a very focused effort comprehensively on domestic money laundering. Cash smuggling, currency couriers, and sanctions against the money launderers will be the major problems that we are addressing in the that bill; and it is a joint operation between the Committee on the Judiciary and members of the Committee on Banking and Financial Services. These and other money laundering issues, I hope and pray, will be addressed in this Congress; and if not completed in this Congress, and I think there is time enough to complete it in this Congress, then we will make it a top priority in the next.

However, that is for the future. For today, we are very happy to have this resolution before us, and I thank my colleagues for their cooperation and the work that we have been able to accomplish together here.

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

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentlewoman from New Jersey (Mrs. ROUKEMA) that the House suspend the rules and agree to the resolution, House Resolution 495.

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.

□

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 4 p.m.

Accordingly (at 3 o'clock and 40 minutes p.m.), the House stood in recess until approximately 4 p.m.

□

□ 1609

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 4 o'clock and 9 minutes p.m.

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GENERAL LEAVE

Mr. WALSH. 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. 4635 and that I may include tabular and extraneous material therein.

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

There was no objection.

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DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2001

The SPEAKER pro tempore. Pursuant to House Resolution 525 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4635.

□ 1610

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4635) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2001, and for other purposes, with Mr. PEASE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York (Mr. WALSH) and the gentleman from West Virginia (Mr. MOLLOHAN) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is my pleasure to bring before the full House of Representatives the bill, H.R. 4635, making fiscal year 2001 appropriations for the Departments of Veterans Affairs, Housing and Urban Development and independent agencies. So that we can move quickly, I will keep my comments brief.

First, let me just thank the distinguished gentleman from West Virginia (Mr. MOLLOHAN) for his advice and counsel throughout this discussion. Even though we have different political persuasions, I think we share almost all of the same priorities in this bill, which makes it, as one might imagine, much less difficult to bring a bill to the floor.

We do not agree on everything obviously, but I think in most cases we do. So we have enjoyed the benefit of his advice and the staffs have worked very closely together. The subcommittee and the full committee worked very hard to bring this bill out.

Like most of the appropriations subcommittees, we were given a very tight 302(b) allocation. Nevertheless, we were able to make what I think are good policy and funding choices to produce a good, fair bill that deserves support.

Here are some of the highlights: this bill fully funds veterans medical care

with a $1.355 billion increase over last year's record level. Last year, we increased it $1.7 billion, $1.355 billion this year for a total of over $3 billion increase in 2 years. I think that shows how important this subcommittee, this full committee, and the House take our commitments to our veterans. It provides full funding for medical research, major construction, and cemetery administration operations.

Just as important, we have begun an effort to conduct better oversight of how much medical care funding goes for medical care, per se, and how much goes to maintaining buildings and facilities. All veterans, no matter where they are located, deserve the best facilities that we can offer.

We have also included language to make sure that veterans medical receipts stay within the VA system and do not go to the Treasury as was suggested by the Administration.

Expiring section 8 contracts at HUD are fully funded, and we have included language to push the Department to do a better, faster job of getting funds out of Washington to the people who need them most. HUD's record in this regard is not one to be proud of. We had 247,000 section 8 vouchers go begging last year because HUD did not get the job done. So we have accounted for that and still have fully funded the section 8 requirements.

We have essentially level funded the Community Development Block Grant entitlement programs, trimming them by less than 1 percent. We have level funded or only slightly reduced most other HUD programs, making sure that HUD was not using the bank to pay for other programs as it did last year.

AmeriCorps has been zeroed out. I am sure that will be a topic for discussion in conference and in consultation with the White House. In this bill, there is no funding.

EPA's operating programs have been level funded while various State grant programs, which assist the States in implementing Federal laws, have been more than fully funded. The Clean Water State Revolving Fund program, gutted in the President's budget request, has been restored to $1.2 billion. That is real commitment on the part of Congress to support cleaner water and to improve the environment of this country, an area where I think the Administration is sorely lacking, while State and local air grants from section 319 non-point source pollution grants have been increased significantly.

Perhaps most important, we have proposed $245 million, more than double last year's level and $85 million more than the Administration's request, for section 106 pollution control grants. These grants offer the States the maximum flexibility to deal with the difficult TMDL issues facing the States.

To help the States deal with the MTBE problems caused by leaking underground storage tank facilities, that is a gasoline additive that has recently been banned by the EPA, we have upped the account at EPA by $9 million over last year and $7 million over the budget request.

CDFI, one of the President's new programs, has been proposed for an increase over last year's funding level. They are doing a good job. They deserve our support; we provided it.

□ 1615

Likewise, the Neighborhood Reinvestment Corporation, perhaps the most productive and most efficient Federal organization dealing with housing, has been provided their full funding level of $90 million. Again, they have earned and deserve our support. We should reward positive performance.

The National Science Foundation has received an increase of $167 million over last year's level, putting them over $4 billion, their largest funding level ever.

Similarly, NASA received an increase over last year of $113 million, their first increase in several years.

Mr. Chairman, there is one point regarding this bill that really needs to be made. I stated at the outset that we faced a tight allocation. Nevertheless, there is some talk circulating that this bill received an allocation that is nearly $5 billion above last year. I would like to try to set the record straight. The reality is that our new allocation is $78 billion in new budget authority. The reality is that CBO's freeze level for this budget was $76.9 billion. We have, therefore, a net increase of just $1.1 billion over last year.

I hasten to add that that increase has been totally absorbed by VA medical care, $1.355 billion over last year, a Section 8 housing increase of nearly $2 billion, and increases provided for National Science Foundation and NASA over last year's level. Nearly every other program in this bill was either level funded or reduced slightly so that we could meet these necessary increases and still stay within our allocation.

I have to say that it would be very difficult to get this bill this far without the support and assistance of my ranking member, the gentleman from West Virginia (Mr. MOLLOHAN), and the rest of this hard-working subcommittee and our staffs, and we have wonderful staffs. While we do not always agree on every issue, every effort has been made on both sides to continue the subcommittee's strong history of bipartisan cooperation in the crafting of this bill. I truly appreciate the gentleman's help and close working relationship.

Mr. Chairman, in a nutshell, this is the fiscal year 2001 VA-HUD and Independent Agencies bill. It is a good fair bill, with solid policy direction, while staying completely within our budget authority and outlay allocations. I strongly encourage the support of this body in moving this measure forward.

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

Mr. MOLLOHAN. Mr. Chairman, I yield myself such times as I may consume.

Mr. Chairman, as I did during our committee markup, I want to begin by expressing my appreciation to the chairman of the subcommittee, the gentleman from New York (Mr. WALSH), and to his staff for their courtesy in dealing with our side of the aisle during this process. Although I do not think this bill is adequate in its current form, I applaud him for doing his best with the hand that he was dealt.

The chairman is to be commended for doing the right thing for veterans medical care, providing a $1.3 billion increase and for providing a $2 billion increase to fully fund renewal of Section 8 housing contracts. But beyond these two large increases in the bill, the numbers before the committee tell a story of missed opportunities.

We certainly appreciate the chairman's courtesy, we appreciate his listening to our concerns as the bill has been marked up, but because of the allocation that he has been given, he has, I think, and the bill reflects, missed a lot of opportunities.

Instead of expanding even slightly our support for public service by young people through AmeriCorps, this bill zeros that program out totally, a move that would almost certainly lead to a presidential veto.

Instead of providing the support the President requested for basic research at the National Science Foundation, the bill provides $508 million less than that requested by the President for the National Science Foundation.

Instead of providing the amount requested for NASA's science and technology, the bill falls short by $323 million. In doing so, the bill abruptly terminates research and development on the next generation of reusable launch vehicles that would replace the space shuttle and reduce the cost of access to space.

Instead of doing a bit more to help solve the crisis of affordable housing, the bill provides essentially no expansion of Federal housing assistance and actually cuts key programs like Community Development Block Grants and public housing below the current year level.

And instead of providing the amounts for FEMA that the administration calculates would be needed even for an average year of hurricanes, floods and tornadoes, the bill provides only $300 million of the $2.9 billion requested. As a result, it jeopardizes FEMA's ability to respond quickly and adequately to natural disasters.

The best that can be said is that this plan spreads the pain more or less evenly across all accounts, except of course for AmeriCorps, which this bill totally zeros. But when I examine the funding levels in the chairman's mark, I have to ask myself why are we not providing more resources for medical

research at the Veterans Administration or for construction of State-needed extended-care facilities for veterans? Why are we not doing more to expand the supply of affordable housing and helping our Nation's homeless? Why are we not doing more for environmental restoration and protection? And why are we not doing more to explore space and perform the basic scientific research that is directly responsible for our current economic boom?

We have the largest budget surplus in decades, a surplus that keeps growing with every estimate. Yet rather than using part of that surplus to better meet our national needs, the majority leadership has decided, instead, to reserve it; to reserve it for large tax cuts targeted at upper-income levels that will never be enacted. That approach was wrong last year, and it is wrong now.

Once again the Congress is being put through an exercise. The appropriation subcommittee chairmen are being given unreasonably low allocations and are being told to write bills accordingly, which they reluctantly do. By the time these bills are signed into law, however, we end up with something so markedly different that it begs the question of why we go through this exercise at all.

I want to be clear about this. I believe the gentleman from New York has done the very best job he could do with what he was given. However, I reject the notion that this is the best we as a Congress can do.

This bill, through no fault of the chairman, is a series of missed opportunities, missed opportunities to improve our Nation's water and sewer infrastructure, which virtually almost every community in this country either needs improvement in or need water and sewer infrastructure to begin with; missed opportunities to assist people of modest means to afford decent housing; missed opportunities to ensure our continued leadership in science and technology, and the list goes on and on, Mr. Chairman. If we do not take these opportunities now, at a time when we are experiencing the best economy in a generation, when will we?

During full committee markup, we on this side of the aisle offered several amendments in an attempt to add funds in a few critical areas. Unfortunately, all of those amendments were defeated, some by razor thin one-vote margins. We will attempt to do the same today and tomorrow as the full House considers this legislation.

No matter what happens, Mr. Chairman, with these amendments, I believe that this process should move forward. It is also important that Members understand that, although this bill on its face appears to meet many programmatic needs, it falls short in one very significant area: meeting the priorities of individual Members. If the chairman has been approached by as many Members as I have, it is clear that great needs are going unmet. This bill must receive additional resources before the chairman will be able to address the interests of Members.

The good news is that by the time the process is complete, I expect to see something markedly different than what we have before us today. I certainly hope so, Mr. Chairman. At that time I sincerely hope, and I hope that the chairman shares that hope, that such a bill will reflect the needs of our Nation and of our Members. This Congress has the means to provide health care to our veterans, to assist our elderly and less fortunate in securing housing, and to make the critical investments in research and technology that have fueled the largest economic expansion in history. When we do that, we will have a bill that everyone can support.

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

Mr. WALSH. Mr. Chairman, I yield 6 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN), a member of the subcommittee.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of the VA–HUD appropriations bill.

Under the leadership of the gentleman New York (Mr. WALSH), and our ranking member, the gentleman from West Virginia (Mr. MOLLOHAN), our subcommittee has produced an excellent bill. I compliment them both. I also compliment the chairman for restructuring our hearing process to maximize information gathering and to actually get answers to serious housing, environmental, scientific and medical questions that fall within the purview of HUD, the EPA, the National Science Foundation and NASA, and the Department of Veterans Affairs, among a number of Federal agencies under our committee's jurisdiction.

Our subcommittee chair has faced a difficult task in balancing so many national and regional priorities within a limited budget allocation. This bill contains $76.4 billion in discretionary funds, $4.9 billion above last year's $7.1 billion level. However, the Congressional Budget Office estimates that $76.9 billion is needed in fiscal year 2000 just to fund a freeze from last year.

That said, the chairman has done a good job of keeping our heads above water while living within our means. The Department of Housing and Urban Development, one of the largest Federal departments, with over 10,400 employees, receives an increase of $4 billion over last year. Virtually all of this increase goes to fully fund section 8 renewals and tenant protections, which are important. Level funded is section 202 housing for the elderly and section 811 housing for individuals with disabilities, public housing operating subsidies, homeless assistance grants, and Housing Opportunities for Persons with AIDS, known as HOPA.

This committee has been especially interested in acting on behalf of housing for people with disabilities. For the past 4 years, this committee has created a section 8 disabilities set-aside to earmark some of those funds to help individuals with disabilities find suitable housing. This year, for the first time, the President finally agreed with our committee on the importance of this particular disabilities set-aside. Our bill contains the $25 million to fund the President's long overdue request for this purpose.

Also, under HUD, this bill contains language mandating that 75 percent of the section 811 disabled housing program funds be spent on new construction. There is simply an insufficient supply of housing available for individuals with disabilities; therefore, we need to emphasize housing production over rental assistance. We reject the administration's proposal to drop the mix to 50–50, and this bill insists that 75 percent of the funds go towards building new housing units.

The Environmental Protection Agency is level funded at the administration's budget request of $7.2 billion. Nevertheless, the clean water State revolving funds are increased by $400 million over the President's level, for a total of $1.2 billion, because this remains a top environmental goal of many towns and cities. State air grants, safe drinking water, State revolving funds and research are all increased over last year's amounts as well. So there are increases.

□ 1630

The committee has matched the President's request of $1.2 billion for the Superfund program, an increase of $2.5 million over last year. Superfund was established in 1980 to help clean up emergency hazardous materials in many waste sites around the country that have been abandoned.

As a Member of Congress, I have the dubious distinction of having more of these sites on a national priority listed in my congressional district than any other. I am glad today that this program continues to emphasize remediation rather than litigation, cleanups instead of costly, protracted lawsuits.

The EPA section of this bill also seeks to address the serious problems which we have discussed in our public hearing caused by the use of the gasoline additive known as MTBE.

During our hearings in March with EPA Administrator Carol Browner, I raised the growing problems associated with this gasoline additive. While MTBE is used in an effort to reduce fuel emissions and meet Federal clean air standards, the EPA was well aware early on it had begun to contaminate water supplies throughout our country.

California has at least 10,000 contaminated sites, New York 1,500, New Jersey nearly 500, and many communities in my district are affected adversely.

As a result of our March hearing, Administrator Browner finally took steps to phase out the use of MTBE. This bill

builds upon that decision by providing $9 million for efforts to correct leaking underground storage tank problems associated with this additive.

Further, this bill reinforces the commitment of this committee and Congress to scientific research. I am referring particularly to the National Science Foundation, which marks our 50th anniversary this year. It is funded at a record $4.1 billion. This is an increase of $167 million, or a 4.3 percent increase, over last year.

It is also the first time funds for this agency have topped the $4-billion level, with only a small portion to Federal spending. This agency has been a powerful positive effect or change in terms of national science and engineering in every State and institution of higher learning. Every dollar invested in the NSF returns many fold its worth in economic growth.

I support this budget. I support the NSF. And I support the work of the committee.

Mr. MOLLOHAN. Mr. Chairman, I am pleased to yield 6 minutes to the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, this bill is a debate or part of the debate about our national priorities and our national values and it helps decide who we are going to put first in this society.

This Congress has committed itself to pass a large number of very large tax cuts, and most of those tax cuts are aimed at the most well-off people in our society. The wealthiest 2 percent will get a huge percentage of those tax cuts. And our ability to afford those tax cuts is based on the assumption by the majority that over the next few years we will cut $125 billion below current services, below existing purchasing power levels, a whole host of programs: education programs, health programs, housing programs, land acquisition programs, science programs, all the rest.

That is really what this debate is all about. Because this is one of the appropriation bills that is cut by a large amount below the President's budget in order to pretend that we can squeeze out enough room for those huge tax cuts aimed at the most well-off people in this society. And I do not believe we ought to do that.

I think we need to look at this budget in terms of what we need 10 years from now because this is a growing society, it is a growing population. We have growing needs, we are going to have more people who need housing, we are going to have more people in high schools, we are going to have more people in college, we are going to have more needs, and these bills are not responding to them.

Some examples of that lack of response are as follows: As has been indicated, the distinguished chairman has done the best he can given the budget ceiling which was assigned to his subcommittee and this bill does contain a welcome $1.35 billion increase for veterans' medical care. It is about time that both parties get off their duff on that. But it fails to adequately provide for several other priorities for veterans.

It does freeze funds for veterans' medical and prosthetic research. It cuts grants for construction of State veterans homes one-third below current year levels and does some other things that we are not happy about. It needlessly creates a political confrontation with the President by terminating the Corporation for National and Community Service, including the AmeriCorps program. Everyone on this floor knows the President is not going to sign this bill with that provision.

For housing, it appropriates no funds for the 120,000 new housing assistance vouchers proposed by the administration. It cuts Community Development Block Grants $276 million below the current year level and $395 million below the President's request. It freezes funding for homeless assistance. It provides a number of other cuts on the environmental front and on the NASA front.

I happen to believe the most serious cut of all in terms of our long-term economic health is what this bill does to the National Science Foundation because it falls short of the President's request by $508 billion. And I think it is essential to understand that the National Science Foundation does much of the basic scientific research, upon which all our other technological and medical progress is based.

We have had economists estimate that at least half of our economic productivity in the past 50 years can be attributed to technological innovation and the science that has supported that innovation. And yet, this bill is a giant missed opportunity because it cuts the President's budget with respect to that program.

It falls $508 million below the President's request. And then, in addition, it takes actions which, in concert with other actions taken by other subcommittees, slowly but surely fences in the Justice Department so that neither they nor any other agency of Government can mount an effective lawsuit against the tobacco companies for lying through their teeth to the American people for the past 40 years about whether or not their product caused cancer. And so, the Government has shelled out billions of dollars in Medicare, in veterans' health costs to deal with health consequences of that product and the lying selling of that product to the American people. And I think that needs to be corrected.

So these are a number of reasons why, although I have profound respect for the gentleman from New York (Mr. WALSH) and consider him to be one of the finest people in this institution, I cannot support the work product that the budget resolution has forced him to come up with.

Mr. WALSH. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. KNOLLENBERG), a member of the subcommittee.

Mr. KNOLLENBERG. Mr. Chairman, I want to thank the chairman for yielding on my behalf, and I rise in strong support of this bill.

Mr. Chairman, I want to thank the gentleman from New York (Chairman WALSH) for all the great effort and the great work that he has done as chairman of this subcommittee. I want to thank, also, the ranking member, the gentleman from West Virginia (Mr. MOLLOHAN), who has teamed up with the gentleman from New York (Mr. WALSH) to make this thing work.

I want to further thank the staff, led by Frank Cushing, for all the great efforts that they have made on this legislation. It is not easy, and I know that; and most people do not know how much time staff puts into the effort that brings forth a bill.

This appropriations bill is unique in that it covers an array of diverse agencies ranging from the Veterans Administration to the EPA. And there is a lot of distance in between. It is not an easy task to bring this wide range of interest into a single bill. However, the gentleman from New York (Chairman WALSH) and the gentleman from New York (Mr. MOLLOHAN), the ranking member, have a working relationship that I think makes this all possible.

H.R. 4635 is a good bill and keeps us within the budget resolution. I would point out that the product before us contains, as undoubtedly has been commented on, no Member earmarks. In this respect, it is eminently fair because there are no winners or losers.

The fiscal year 2001 VA–HUD bill is a fair piece of legislation produced under very difficult circumstances and is within, again, the budget resolution. It responsibly provides a $1.3-billion increase for veterans' medical health care, fully funds section 8 housing, and provides sound investments in research-intensive agencies, such as NASA and, as the gentleman from New Jersey (Mr. FRELINGHUYSEN) just mentioned, the National Science Foundation.

As this process moves forward, there will be plenty of opportunities for Members to offer their suggestions and amendments before the President finally signs the bill. I would implore my colleagues not to let perfection be the enemy of good. This is a good and responsible bill, and I encourage all my colleagues to support it.

Again, the gentleman from New York (Chairman WALSH) is to be saluted for crafting this piece of legislation under these circumstances. He has worked in good faith with the ranking member on the other side in a bipartisan spirit to form a bill that the House has now before it.

My colleagues, this is a fair bill and there will be time to strengthen it further as the process moves along. So I urge its support.

Mr. MOLLOHAN. Mr. Chairman, I am pleased to yield 5 minutes to the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Chairman, I thank the ranking member for yielding me the time.

Mr. Chairman, I speak today on one part of the bill before us, title I, the bill funding the Department of Administration, and I speak as ranking member of the Subcommittee on Benefits of the Committee on Veterans' Affairs in this House.

Now, all of us on this side of the aisle have spoken of our deep respect for the chair, the gentleman from New York (Mr. WALSH), but we also have taken issue with the sense that we are doing all we can do in this bill, in this case for our Nation's veterans.

The gentleman from New York (Mr. WALSH) talks in a passive sense that we have been allocated a number. This is an active decision by this House to allocate certain figures, and this House can do what it will with regard to the budget.

As the gentleman from Wisconsin (Mr. OBEY) has pointed out, we have spoken about our priorities. This budget ranks veterans' affairs, I am afraid, very low in the priorities.

The chair said that this is fully funded, medical care for our veterans is fully funded. I am not sure what that means, but I would challenge my colleagues to go to any town hall meeting of veterans in this Nation and tell them that their benefits and their health care is fully funded.

The gentleman from Michigan said this is a good and responsible budget. I take issue. It is not a good budget. It is an irresponsible budget. We are reneging on our commitment to our Nation's veterans, Mr. Speaker. We have asked our veterans to sacrifice in war. When we had deficits, we asked our veterans to take cuts because we had to share the sacrifice of cutting those deficits. But now that we have surpluses, it is time to make up on those commitments and start fulfilling those commitments.

Many of our national cemeteries are a national disgrace. The waiting list for our veterans to see medical specialists goes months and months and months to get adjudication. Their benefits claims may take years. This is not a good and responsible budget. We are falling behind, Mr. Speaker, on medical research for veterans. We are falling behind on our commitment to fund our State veterans' homes. We are falling behind on helping our homeless veterans. We are falling behind on providing educational benefits to those veterans.

□ 1645

The Montgomery GI bill is almost worthless in terms of its spending power in today's market.

I am going to submit amendments, Mr. Chairman, to cover some of these shortcomings, but I want to speak on a couple now. We are not adequately meeting the benefit and health care needs of veterans who served in the Gulf War and who now suffer from various diagnosed and undiagnosed disabilities. It has been almost 10 years, Mr. Chairman, since the men and women of our Armed Forces were sent to the gulf, yet they do not know what caused their illness, and we have no treatment for it. We must not relax our efforts to fund necessary and appropriate research. This budget does virtually nothing for those veterans.

I speak today, Mr. Chairman, on behalf of the Independent Budget, a budget that was propounded by a coalition of all the veterans organizations in this Nation. It is a responsible, professional budget. They show that this budget falls behind on our commitment by a minimum of $1.5 billion. It points out that as our veteran population ages, the need for long-term care increases. One means of providing that is through our funding of State veterans homes. In fact, a new home just opened in my congressional district; and already there is a waiting list of hundreds and hundreds. Other areas should have the same opportunity as the veterans in my San Diego region with the opening of this new home. Yet this budget has a decrease in funding for State homes.

Mr. Chairman, our Nation's veterans require an educational benefit that will actually allow them to attend college. I will propose such an amendment when the time comes. We have fallen behind on trying to deal with our homeless veterans. Thirty to 40 percent of those on the street are veterans. This is no way to treat those who served for us. We should increase that. This budget does not.

Finally, Mr. Chairman, we have a group of people in this Nation who served during World War II and were drafted into Armed Forces, Filipino veterans who helped us win the war in the Pacific. They are in their 70s and 80s. We need to provide them the health care that was taken away by this Congress more than 50 years ago. $30 million is all that is required to provide this health care. I will submit an amendment to do just that.

Mr. Chairman, we are falling farther and farther behind with this budget. It is time to reverse our priorities. It is time to recognize the heroism and sacrifice of our Nation's veterans. Let us truly fully fund this budget. Let us truly make this a good and responsible budget. Let us do better for our Nation's veterans.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume just to discuss some of the issues that were just raised.

I will be brief. I am not going to fight every battle and counter every argument, but I do think it needs to be said that we are not falling behind. We are not falling behind in our commitments to our veterans. In fact, the strides that this Congress has made in the last 2 years, $1.7 billion last year, almost $1.4 billion this year, that is over a $3 billion commitment in a $20 billion health care allocation. That is a profound commitment to our veterans. I do not believe any Congress in the recent or distant past has made that sort of commitment. I strongly disagree with the gentleman's statement that we are falling behind. If anything, we are quickly catching up if not pulling ahead. But to say we are falling behind, I think, gives grist for the mill for those uninformed people out there who are saying we are not keeping our commitments to the veteran. I strongly disagree.

On the issue of the G.I. Bill, those benefits are mandatory. The gentleman sits on the committee of authorization. That is where that issue belongs, not here in the committee on appropriations. Those are mandatory benefits, not within our purview to determine allocation of funds. It is mandatory.

Lastly, the GAO study says that the Veterans Administration is wasting $1 million a day through poor administration. That is over $300 million a year wasted. We cannot afford to have that waste continue. Clearly, the Congress can do better; but the administration can, too.

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

Mr. MOLLOHAN. Mr. Chairman, I yield 4 minutes to the gentlewoman from Michigan (Ms. KILPATRICK).

(Ms. KILPATRICK asked and was given permission to revise and extend her remarks.)

Ms. KILPATRICK. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I believe the gentleman from New York (Mr. WALSH) has done a fine job with the resources he has available and certainly the gentleman from West Virginia (Mr. MOLLOHAN) and the gentleman from Wisconsin (Mr. OBEY), our ranking member, who has done all that he can to bring this bill to the floor; but it is not a good bill. I just want to reiterate what I have said over and over again as a part of the Committee on Appropriations. The budget is woefully underfunded. At a time when America's prosperity is well, when the budget surpluses are higher than they ever have been or ever thought to be at this time in the process, we are dealing with a budget process in a very important veterans budget, housing budget and EPA budget that is going lacking.

Why is that? Well, some months ago, this Congress passed in a very partisan way 302(b) allocations which are the bottom line numbers that each of these budgets reflect. So we find ourselves fighting over very important programs that need to be funded. Veterans who have served this country and served well ought to have full coverage and ought to be able to have their medical needs met. They ought not be homeless in our country and many of them are. They ought to be able to have the drug treatment necessary that they be fine citizens, having worked and saved this

country from various battles across the history of our country. But it is not funded properly.

In this time of budget surpluses, if we cannot do it now, when will we do it? I think it is a travesty that this bill is on the floor with shortages in homelessness, medical care, and treatment for veterans in our country who have served this country well.

I am also disturbed that our housing, public housing, those in America, the least of these who find themselves living in public housing are now seeing cuts at a time when we were building on public housing, at a time when they were being renovated, revitalized, at a time when the capital count was at one time meeting those needs and now falling sorely behind. In 1995, the public housing budget was $3.7 billion. This budget today calls for $2.8 billion. From $3.7 billion to today $2.8 billion, the public housing needs are not being met.

The section 8 vouchers, there is a backlog of need in my district, and I am sure in many others who need section 8 vouchers. One of the previous speakers said that we are fully funding section 8 vouchers. We are funding those who already have it, but we are not at all addressing the need of the backlog, some hundreds in my own district who have applied for and are waiting for decent, free housing, free from crime, free from other kinds of negative things in our budget.

I commend the gentleman from New York (Mr. WALSH) for what he has done and the gentleman from West Virginia (Mr. MOLLOHAN), but it is really not enough. We have got to be realistic with these budgets. There are children, there are families who need us to stand up to our responsibility. If we look at veterans coverage, it is lacking. In public housing needs, it is lacking. We can do better in this Congress.

I would hope that as we go through the process, as we get through conference, and everybody says, Wait till we get to conference, it is going to be better, it is our responsibility today, we ought not have to wait until we get to conference. But, Mr. Chairman, as we leave and this bill is on the floor, we will be debating it much of this evening, let us remember those veterans, those poor people who need us to speak out for them.

Mr. MOLLOHAN. Mr. Chairman, I yield 4 minutes to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, let me first appreciate the efforts of the gentleman from New York (Mr. WALSH) and the gentleman from West Virginia (Mr. MOLLOHAN) because I think they probably did a competent job with what they had to work with. But I still believe that in addition to the veterans and the housing needs, this bill also represents a lost opportunity in research. The President proposed a historic budget increase for the National Science Foundation this year. The increase was intended to bolster the activities of an agency with a critically important role in sustaining the Nation's capabilities in science and engineering research and education.

The bill cuts the amount of the request by more than $500 million. This is shortsighted and inconsistent with the previous actions of the House. It also ignores the well-known connection between research and economic development. I characterize the bill as shortsighted because it has now been shown that public support for basic research in science and engineering is an investment in the future economy and in the well-being of our citizens. Over the past 50 years, half of U.S. economic productivity can be attributed to technological innovation and the science that has supported it. The social rate of return for basic research performed at academic institutions has been found to be at least 28 percent.

Basic research discoveries launch new industries that bring returns to the economy that far exceed the public investment. The recent example of the Internet, which emerged from research projects funded by the Defense Advanced Research Projects Agency and the National Science Foundation strikingly illustrates the true investment nature of such research expenditures. What then will be the effects of the anemic increase provided for the National Science Foundation by this bill? The most important is also the least quantifiable, that is, the lost opportunities due to research ideas that are not pursued.

Last year alone, the National Science Foundation could not fund 3,800 proposals that received very good or excellent ratings by peer reviewers. The budget increase requested for fiscal year 2001 has greatly reduced the number of meritorious research ideas doomed to rejection because of inadequate budgets. Nearly half of the increase in the fiscal year 2001 National Science Foundation budget proposal was designated for the core research programs of the foundation. This new funding would increase average grant size and duration as well as increasing the number of new awards. Inflation has reduced the relative value of National Science Foundation awards, thereby adding to the overhead burden placed on the academic research community. That is, researchers must generate multiple proposals to obtain adequate funding for their research projects.

If NSF were to be allowed to reach its goal of increasing average grant size to $108,000 and grant duration to 3 years, it estimates the savings in the cost of research proposal preparation alone would be $50 million. Of course, this is only a portion of the potential savings since it does not include reductions in the time for proposal reviews and the reduced cost to universities from administering these few grants.

Overall, the cuts from proposed funding levels in the bill will result in more than 4,000 fewer awards for state-of-the-art research and education activities. This reduction will curtail investments in exciting, cutting-edge research initiatives, such as information technology, the nanoscale science and engineering, and environmental research. The effect will be to slow the development of new discoveries with immense potential to generate significant benefits to society.

The reduction in funding also translates into almost 18,000 fewer researchers, educators, and students receiving NSF support. This is a direct, and negative, effect on the shortages projected in the high-tech workforce. It will reduce the number of well-trained scientists and engineers needed for the Nation's future.

Finally, I feel I must point out the inconsistency between the funding provided by the bill for NSF and the interest expressed by many Members of this House in the development and widespread use of information technology.

In February the House passed H.R. 2086 by acclamation. This bill authorizes nearly $5 billion over four years among seven agencies for information technology research. NSF was the lead agency of the multi-agency initiative and was provided a major portion of the resources. H.R. 4635 cuts the requests for NSF's part of this initiative by over $154 million, or by more than 20 percent.

The need for the major new investment in information technology research was advocated by the President's Information Technology Advisory Committee. This committee stated that: ''Unless immediate steps are taken to reinvigorate federal research in this critical area, we believe there will be a significant reduction in the rate of economic progress over the coming decades.''

I regret that H.R. 4635 limits support for the research that will lead to breakthroughs in information technology, materials, environmental protection, and a host of technology dependent industries.

The economic growth that has been fueled by advances in basic research will be endangered because of the failure of this bill to provide adequate resources for the math, science, and engineering research and education activities of the National Science Foundation. This is shameful and irresponsible.

Mr. WALSH. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. I thank the gentleman for yielding me this time.

Mr. Chairman, I think we need to point out, as the gentleman from New York (Mr. WALSH) has pointed out in previous remarks, that we have increased funding for veterans medical care by $1.3 billion. I may point out, it took the President 4 years to realize what Members of this body, both Democrats and Republicans, have realized all along, that funding for veterans medical care must be increased, and we have done it. When we combine that with last year's historic increase, this Congress will have provided $3 billion more for veterans medical care in the last 2 years. Mr. Chairman, we are keeping our promise. Unlike the President's budget, all funds that are collected by the VA from third-party insurers and copayments will stay according to our budget within the VA

system. The President's budget proposed that the first $350 million collected as a result of changes under the Veterans Millennium Health Care Act signed into law and passed last year be returned to the Treasury, not to the Veterans Administration.

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This bill requires that those outside collections be retained by the VA and to be used for improving veterans' medical care. This is a responsible budget, because it better addresses also, Mr. Chairman, the growing and serious problem of hepatitis C among veterans.

According to the Centers for Disease Control, this disease of the liver, if untreated, can lead to chronic liver disease and even liver failure. The hepatitis C virus affects a disproportionately high number of veterans compared to the general population, particularly those with the Vietnam-Era part of our history.

In the fiscal year 2000 bill, Congress provided $190 million for testing and treatment of hepatitis C in our bill; the one under discussion today would increase that amount to $340 million. However, during our committee's hearing with the VA in March, Secretary Togo West stated that the Department would be unable to spend all the fiscal year 2000 hepatitis C testing and treatment funds, because the demand was not there.

Frankly, too many of us on the committee, the committee's Secretary statement was puzzling and, in fact, contrary to a great deal of known information about this health crisis from the CDC, as well as from the VA's own data. In a 1-day random hepatitis screening done by the VA in March of 1999, it showed 6 percent of Veterans tested nationally that tested positive for hepatitis C virus compared to less than 2 percent of the general population. In my area, in New York and in New Jersey, the infection rate from that 1-day test was over 12 percent, twice the national average.

The numbers have not improved since then, but this budget increases money for hepatitis C testing. It increases money for medical care, and this is a budget that points us in the right direction.

Mr. MOLLOHAN. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, we in the Congress are constantly debating what our priorities ought to be, and 2 weeks ago this House adopted legislation to eliminate the estate tax. And in doing that, we gave, in effect, $200 billion to around 400 families. That was our judgment in this House. It was not a judgment I agreed with, but it was, nevertheless, the judgment of this House.

In this bill that is before us there is a rider that we will seek to strike, and that rider would prevent use of funds to pursue litigation against the tobacco industry. Well, some people think that if we get a judgment against the tobacco industry, that could bring in $300 billion to pay back the Federal Government for expenses due to the misconduct of that industry.

Mr. Chairman, well, if that rider does not get taken out of this bill and that lawsuit is stopped, in the course of a couple of weeks we will have given $200 billion to 400 families by eliminating the estate tax, and we will refuse to bring in potentially $300 billion that can be used for veterans' health, Indian health services, prescription drug benefits for the elderly, so many things where we are always saying we do not have the money to fund it.

The amendment that we are going to be offering with a number of our colleagues would strike that rider, and so there would be no misunderstanding about it. That amendment would provide that funds that would otherwise go into the account in the veterans' health program for management and legal expenses would be used for pursuing litigation against the tobacco industry which would bring many, many, many times over that amount back to the veterans' health program.

Specifically, we do not use any funds out of the veterans' health program, but only funds allocated for legal expenses. This separate fund would be then allocated to pursue the lawsuit, and all of the veterans' groups want that lawsuit to be pursued.

They know how important it is to get funds that are not enough to meet their needs into the veterans' health priorities. We have explicit support from the Veterans of Foreign Wars, the AMVETS, the Disabled War Veterans, the Paralyzed War Veterans for our amendment; and all of the groups want this lawsuit to go forward.

Let me point out that if we strike this rider we not only have the support of the veterans' organizations, but it will have no effect at all on the Medicaid settlement with the States or on retailers in this country. The only ones who are being sued are the manufacturers of tobacco products who for decades have mislead the American people and the veterans into starting to smoke and continuing to smoke.

They not only mislead about the dangers of cigarettes, they mislead them about the nicotine addiction; and they not only did that, they manipulated the nicotine levels to keep people smoking.

I would hope that when we get into the opportunity for amendments, that Members on both sides of the aisle will join us in striking that rider that would prohibit use of funds to recover money that can be used for veterans' health care from the tobacco industry. It is only to the benefit of everyone that this amendment go forward, and we will hear more about it later.

The CHAIRMAN. The gentleman from West Virginia (Mr. MOLLOHAN) has 30 seconds remaining; the gentleman from New York (Mr. WALSH) has the right to close.

Mr. MOLLOHAN. Mr. Chairman, we have, I think, many requests that would be more than 30 seconds; and, therefore, I yield back the balance of my time.

Mr. WALSH. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. SMITH).

(Mr. SMITH of Michigan asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Chairman, a couple of the Members from the other side of the aisle, the gentleman from Wisconsin (Mr. OBEY), the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON), suggested the need for more NSF funding, the National Science Foundation. I agree. Yet one of the Members from your side of the aisle is suggesting that we take money, additional money out of NSF and put it into HUD.

Hopefully in this appropriation bill, before it is finished, we can find more money to accommodate basic research. Basic research in this country has been instrumental in creating products and increasing our competitive position. As chairman of the Subcommittee on Basic Research, I introduced H.R. 4500 that authorizes a 17 percent increase in NSF funding.

Let us not shortchange basic research that has served us so well. Let us make sure we do not take more money out of the NSF funding, and let us look for additional funding to help make sure that the basic research that has helped make this country great, that has been vital to increasing our productivity, continues as one of our priorities.

Mr. WALSH. Mr. Chairman, I have no further comments to make. I think we can conclude our general debate and move into amendments.

Mr. Chairman, I submit the following tables for the RECORD.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4635)
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I					
DEPARTMENT OF VETERANS AFFAIRS					
Veterans Benefits Administration					
Compensation and pensions	21,568,364	22,766,276	22,766,276	+1,197,912	
Readjustment benefits	1,469,000	1,634,000	1,664,000	+195,000	+30,000
Veterans insurance and indemnities	28,670	19,850	19,850	-8,820	
Veterans housing benefit program fund program account (indefinite)	282,342	165,740	165,740	-116,602	
(Limitation on direct loans)	(300)	(300)	(300)		
Administrative expenses	156,958	166,484	161,484	+4,526	-5,000
Education loan fund program account	1	1	1		
(Limitation on direct loans)	(3)	(3)	(3)		
Administrative expenses	214	220	220	+6	
Vocational rehabilitation loans program account	57	52	52	-5	
(Limitation on direct loans)	(2,531)	(2,726)	(2,726)	(+195)	
Administrative expenses	415	432	432	+17	
Native American Veteran Housing Loan Program Account	520	532	532	+12	
Guaranteed Transitional Housing Loans for Homeless Veterans program account	48,250			-48,250	
(Limitation on direct loans)	(100,000)			(-100,000)	
Total, Veterans Benefits Administration	23,554,791	24,753,587	24,778,587	+1,223,796	+25,000
Veterans Health Administration					
Medical care	18,106,000	19,381,587	19,354,587	+1,248,587	-27,000
Delayed equipment obligation	900,000	900,000	927,000	+27,000	+27,000
Total	19,006,000	20,281,587	20,281,587	+1,275,587	
Across the board rescission (0.38%)	-79,519			+79,519	
(Transfer to general operating expenses)	(-27,907)		(-28,134)	(-227)	(-28,134)
Subtotal	18,926,481	20,281,587	20,281,587	+1,355,106	
Medical care cost recovery collections:					
Offsetting receipts	-608,000	-639,000	-639,000	-31,000	
Appropriations (indefinite)	608,000	639,000	639,000	+31,000	
Total available	(608,000)	(639,000)	(639,000)	(+31,000)	
Medical and prosthetic research	321,000	321,000	321,000		
Medical administration and miscellaneous operating expenses	59,703	64,884	62,000	+2,297	-2,884
General Post Fund, National Homes:					
Loan program account (by transfer)	(7)			(-7)	
(Limitation on direct loans)	(70)			(-70)	
Administrative expenses (by transfer)	(54)			(-54)	
General post fund (transfer out)	(-61)			(+61)	
Total, Veterans Health Administration	19,307,184	20,667,471	20,664,587	+1,357,403	-2,884
Departmental Administration					
General operating expenses	912,594	1,061,854	1,006,000	+93,406	-55,854
Offsetting receipts	(36,754)	(36,754)	(36,754)		
Total, Program Level	(949,348)	(1,098,608)	(1,042,754)	(+93,406)	(-55,854)
(Transfer from medical care)	(27,907)		(28,134)	(+227)	(+28,134)
(Transfer from national cemetery)	(117)		(125)	(+8)	(+125)
(Transfer from inspector general)	(30)		(28)	(-2)	(+28)
National Cemetery Administration	97,256	109,889	106,889	+9,633	-3,000
(Transfer to general operating expenses)	(-117)		(-125)	(-8)	(-125)
Office of Inspector General	43,200	46,464	46,464	+3,264	
(Transfer to general operating expenses)	(-30)		(-28)	(+2)	(-28)
Construction, major projects	65,140	62,140	62,140	-3,000	
Construction, minor projects	160,000	162,000	100,000	-60,000	-62,000
Grants for construction of State extended care facilities	90,000	60,000	60,000	-30,000	
Grants for the construction of State veterans cemeteries	25,000	25,000	25,000		
Total, Departmental Administration	1,393,190	1,527,347	1,406,493	+13,303	-120,854
Total, title I, Department of Veterans Affairs	44,255,165	46,948,405	46,849,667	+2,594,502	-98,738
Appropriations	(44,334,684)	(46,948,405)	(46,849,667)	(+2,514,983)	(-98,738)
Rescissions	(-79,519)			(+79,519)	
(By transfer)	(61)			(-61)	
(Limitation on direct loans)	(102,904)	(3,029)	(3,029)	(-99,875)	
Consisting of:					
Mandatory	(23,396,626)	(24,585,866)	(24,615,866)	(+1,219,240)	(+30,000)
Discretionary	(20,858,539)	(22,362,539)	(22,233,801)	(+1,375,262)	(-128,738)
TITLE II					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Public and Indian Housing					
Housing Certificate Fund	7,176,695	9,927,824	9,075,388	+1,898,693	-852,436
(By transfer)	(183,000)			(-183,000)	
Advance appropriation, FY 2001/2002	4,200,000	4,200,000	4,200,000		
Total funding	11,376,695	14,127,824	13,275,388	+1,898,693	-852,436

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4635)—Continued
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
Across the board rescission (0.38%)	-72,275			+72,275	
Housing set-asides:					
Expiring section 8 contracts	(10,834,135)	(13,221,824)	(13,275,388)	(+2,441,253)	(+53,564)
Section 8 relocation assistance	(156,000)	(79,000)		(-156,000)	(-79,000)
Contract administration		(209,000)			(-209,000)
Incremental vouchers	(346,560)	(527,000)		(-346,560)	(-527,000)
Administrative fee change		(66,000)			(-66,000)
Voucher for disabled	(40,000)	(25,000)		(-40,000)	(-25,000)
Subtotal	(11,376,695)	(14,127,824)	(13,275,388)	(+1,898,693)	(-852,436)
Rescission of unobligated balances:					
Section 8 recaptures (rescission)	-1,300,000		-275,388	+1,024,612	-275,388
Section 8 carryover and Tenant Protection (resc)	-943,000			+943,000	
Subtotal	-2,243,000		-275,388	+1,967,612	-275,388
Public housing capital fund	2,900,000	2,955,000	2,800,000	-100,000	-155,000
Public housing operating fund	3,138,000	3,192,000	3,138,000		-54,000
Subtotal	6,038,000	6,147,000	5,938,000	-100,000	-209,000
Drug elimination grants for low-income housing	310,000	345,000	300,000	-10,000	-45,000
Revitalization of severely distressed public housing (HOPE VI)	575,000	625,000	565,000	-10,000	-60,000
Native American housing block grants	620,000	650,000	620,000		-30,000
Indian housing loan guarantee fund program account	6,000	6,000	6,000		
(Limitation on guaranteed loans)	(71,956)	(71,956)	(71,956)		
Total, Public and Indian Housing	16,610,420	21,900,824	20,429,000	+3,818,580	-1,471,824
Community Planning and Development					
Housing opportunities for persons with AIDS	232,000	260,000	232,000		-28,000
Rural housing and economic development	25,000	27,000	20,000	-5,000	-7,000
America's private investment companies program:					
(Limitation on guaranteed loans)	(541,000)	(1,000,000)		(-541,000)	(-1,000,000)
Credit subsidy	20,000	37,000		-20,000	-37,000
Urban empowerment zones	55,000			-55,000	
Rural empowerment zones	15,000			-15,000	
Subtotal	70,000			-70,000	
Community development block grants	4,800,000	4,900,000	4,505,000	-295,000	-395,000
Across the board rescission (0.38%)	-18,765			+18,765	
Section 108 loan guarantees:					
(Limitation on guaranteed loans)	(1,261,000)	(1,217,000)	(1,217,000)	(-44,000)	
Credit subsidy	29,000	28,000	28,000	-1,000	
Administrative expenses	1,000	2,000	1,000		-1,000
Brownfields redevelopment	25,000	50,000	20,000	-5,000	-30,000
HOME investment partnerships program	1,600,000	1,650,000	1,585,000	-15,000	-65,000
Homeless assistance grants	1,020,000	1,200,000	1,020,000		-180,000
Communities in schools community development program	5,000	5,000		-5,000	-5,000
Total, Community planning and development	7,808,235	8,159,000	7,411,000	-397,235	-748,000
Housing Programs					
Housing for special populations	911,000	989,000	911,000		-78,000
Housing for the elderly	(710,000)	(779,000)	(710,000)		(-69,000)
Housing for the disabled	(201,000)	(210,000)	(201,000)		(-9,000)
Federal Housing Administration					
FHA - Mutual mortgage insurance program account:					
(Limitation on guaranteed loans)	(140,000,000)	(160,000,000)	(160,000,000)	(+20,000,000)	
(Limitation on direct loans)	(100,000)	(250,000)	(100,000)		(-150,000)
Administrative expenses	330,888	330,888	330,888		
Administrative contract expenses	160,000	160,000	160,000		
Additional contract expenses	4,000	4,000	4,000		
FHA - General and special risk program account:					
(Limitation on guaranteed loans)	(18,100,000)	(21,000,000)	(21,000,000)	(+2,900,000)	
(Limitation on direct loans)	(50,000)	(50,000)	(50,000)		
Administrative expenses	64,000	211,455	211,455	+147,455	
Administrative expenses (unobligated balances)	(147,000)			(-147,000)	
Negative subsidy	-75,000	-100,000	-100,000	-25,000	
Subsidy		101,000	101,000	+101,000	
Subsidy (unobligated balances)	(153,000)			(-153,000)	
Non-overhead administrative expenses	144,000	144,000	144,000		
Additional contract expenses	7,000	7,000	7,000		
Total, Federal Housing Administration	634,888	858,343	858,343	+223,455	
Government National Mortgage Association					
Guarantees of mortgage-backed securities loan guarantee program account:					
(Limitation on guaranteed loans)	(200,000,000)	(200,000,000)	(200,000,000)		
Administrative expenses	9,383	9,383	9,383		
Administrative contract expenses		40,000			-40,000
Offsetting receipts	-422,000	-347,000	-347,000	+75,000	
Policy Development and Research					
Research and technology	45,000	62,000	40,000	-5,000	-22,000
Fair Housing and Equal Opportunity					
Fair housing activities	44,000	50,000	44,000		-6,000

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4635)—Continued
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of Lead Hazard Control					
Lead hazard reduction	80,000	120,000	80,000		-40,000
Management and Administration					
Salaries and expenses	477,000	565,000	475,647	-1,353	-89,353
Transfer from:					
Limitation on FHA corporate funds	(518,000)	(518,000)	(518,000)		
GNMA	(9,383)	(9,383)	(9,383)		
Community Planning & Development	(1,000)	(1,000)	(1,000)		
America's Private Investment Companies Program		(1,000)			(-1,000)
Title VI	(150)	(150)	(150)		
Indian Housing	(200)	(200)	(200)		
Total, Salaries and expenses	(1,005,733)	(1,094,733)	(1,004,380)	(-1,353)	(-90,353)
Office of Inspector General	50,657	52,000	50,657		-1,343
(By transfer, limitation on FHA corporate funds)	(22,343)	(22,343)	(22,343)		
(By transfer from Drug Elimination Grants)	(10,000)	(10,000)	(10,000)		
Total, Office of Inspector General	(83,000)	(84,343)	(83,000)		(-1,343)
Office of Federal Housing Enterprise Oversight	19,493	25,800	22,000	+2,507	-3,800
Offsetting receipts	-19,493	-25,800	-22,000	-2,507	+3,800
Administrative Provisions					
Sec. 208 FHA	-319,000			+319,000	
Annual contribution (transfer out)	(-79,000)			(+79,000)	
Annual contributions (transfer out)	(-104,000)			(+104,000)	
Sec. 212 Rescissions	-74,400			+74,400	
Sec. 214 Moving to Work	5,000			-5,000	
Total, administrative provisions	-388,400			+388,400	
Total, title II, Department of Housing and Urban Development (net)	25,860,183	32,458,550	29,962,030	+4,101,847	-2,496,520
Current year, FY 2001	(21,660,183)	(28,258,550)	(25,762,030)	(+4,101,847)	(-2,496,520)
Appropriations	(24,068,623)	(28,258,550)	(26,037,418)	(+1,968,795)	(-2,221,132)
Rescissions	(-2,408,440)		(-275,388)	(+2,133,052)	(-275,388)
Advance appropriation, FY 2001/2002	(4,200,000)	(4,200,000)	(4,200,000)		
(Limitation on guaranteed loans)	(359,902,000)	(383,217,000)	(382,217,000)	(+22,315,000)	(-1,000,000)
(Limitation on corporate funds)	(561,076)	(562,076)	(561,076)		(-1,000)
TITLE III					
INDEPENDENT AGENCIES					
American Battle Monuments Commission					
Salaries and expenses	28,467	26,196	28,000	-467	+1,804
Across the board rescission (0.38%)	-108			+108	
Chemical Safety and Hazard Investigation Board					
Salaries and expenses	8,000	8,000	8,000		
Across the board rescission (0.38%)	-30			+30	
Department of the Treasury					
Community Development Financial Institutions					
Community development financial institutions fund program account	95,000	125,000	105,000	+10,000	-20,000
Consumer Product Safety Commission					
Salaries and expenses	49,000	52,500	51,000	+2,000	-1,500
Across the board rescission (0.38%)	-186			+186	
Corporation for National and Community Service					
National and community service programs operating expenses	434,500	533,700		-434,500	-533,700
Rescission	-80,000			+80,000	
Across the board rescission (0.38%)	-1,347			+1,347	
Office of Inspector General	4,000	5,000	5,000	+1,000	
Across the board rescission (0.38%)	-15			+15	
Total	357,138	538,700	5,000	-352,138	-533,700
Court of Appeals for Veterans Claims					
Salaries and expenses	11,450	12,500	12,500	+1,050	
Across the board rescission (0.38%)	-42			+42	
Department of Defense - Civil					
Cemeterial Expenses, Army					
Salaries and expenses	12,473	15,949	17,949	+5,476	+2,000
Across the board rescission (0.38%)	-47			+47	
Department of Health and Human Services					
National Institute of Health					
National Institute of Environmental Health Sciences 1/	60,000	48,527	60,000		+11,473
Public Health Service					
Toxic Substances and Environmental Public Health 1/	70,000	64,000	70,000		+6,000

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4635)—Continued
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
Environmental Protection Agency					
Science and Technology	645,000	674,348	650,000	+5,000	-24,348
Transfer from Hazardous Substance Superfund	38,000	35,871	35,000	-3,000	-871
Subtotal, Science and Technology	683,000	710,219	685,000	+2,000	-25,219
Across the board rescission (0.38%)	-2,697			+2,697	
Environmental Programs and Management	1,900,000	2,099,461	1,900,000		-199,461
Across the board rescission (0.38%)	-4,733			+4,733	
Office of Inspector General	32,409	34,094	34,000	+1,591	-94
Transfer from Hazardous Substance Superfund	11,000	11,652	11,500	+500	-152
Subtotal, OIG	43,409	45,746	45,500	+2,091	-246
Across the board rescission (0.38%)	-29			+29	
Buildings and facilities	62,600	23,931	23,931	-38,669	
Across the board rescission (0.38%)	-238			+238	
Hazardous Substance Superfund 2/	1,170,000	1,337,473	1,170,000		-167,473
Delay of obligation	100,000		100,000		+100,000
Transfer to Office of Inspector General	-11,000	-11,652	-11,500	-500	+152
Transfer to Science and Technology	-38,000	-35,871	-35,000	+3,000	+871
Subtotal, Hazardous Substance Superfund	1,221,000	1,289,950	1,223,500	+2,500	-66,450
Leaking Underground Storage Tank Program	70,000	72,096	79,000	+9,000	+6,904
Across the board rescission (0.38%)	-240			+240	
Oil spill response	15,000	15,712	15,000		-712
Across the board rescission (0.38%)	-26			+26	
State and Tribal Assistance Grants	2,581,650	1,838,000	2,108,000	-473,650	+270,000
Categorical grants	885,000	1,068,957	1,068,957	+183,957	
Subtotal, STAG	3,466,650	2,906,957	3,176,957	-289,693	+270,000
Across the board rescission (0.38%)	-20,885			+20,885	
Total, EPA	7,461,659	7,164,072	7,148,888	-312,771	-15,184
Rescissions	-28,848			+28,848	
Executive Office of the President					
Office of Science and Technology Policy	5,108	5,201	5,150	+42	-51
Across the board rescission (0.38%)	-19			+19	
Council on Environmental Quality and Office of Environmental Quality	2,827	3,020	2,900	+73	-120
Across the board rescission (0.38%)	-11			+11	
Total	7,905	8,221	8,050	+145	-171
Federal Deposit Insurance Corporation					
Office of Inspector General (transfer)	(33,666)	(33,660)	(33,661)	(-5)	(+1)
Federal Emergency Management Agency					
Disaster relief	300,000	300,000		-300,000	-300,000
Emergency funding			300,000	+300,000	+300,000
(Transfer out)	(-2,900)	(-2,900)	(-35,500)	(-32,600)	(-32,600)
Across the board rescission (0.38%)	-12,416			+12,416	
Emergency funding	2,480,425	2,609,220		-2,480,425	-2,609,220
Pre-disaster mitigation		30,000			-30,000
(Transfer out)		(-2,600)			(+2,600)
Disaster assistance direct loan program account:					
State share loan	1,295	1,678	1,295		-383
(Limitation on direct loans)	(25,000)	(25,000)	(19,000)	(-6,000)	(-6,000)
Administrative expenses	420	427	420		-7
Salaries and expenses	180,000	221,024	190,000	+10,000	-31,024
Across the board rescission (0.38%)	-50			+50	
Office of Inspector General	8,015	8,476	8,015		-461
Across the board rescission (0.38%)	-50			+50	
Emergency management planning and assistance	267,000	269,652	267,000		-2,652
(By transfer)	(2,900)	(5,500)	(5,500)	(+2,600)	
Across the board rescission (0.38%)	-218			+218	
Radiological emergency preparedness fund	-1,000			+1,000	
Emergency food and shelter program	110,000	140,000	110,000		-30,000
Flood map modernization fund	5,000			-5,000	
(By transfer)			(30,000)	(+30,000)	(+30,000)
National insurance development fund	(3,730)			(-3,730)	
National Flood Insurance Fund (limitation on administrative expenses):					
Salaries and expenses	(24,333)	(25,736)	(25,736)	(+1,403)	
Flood mitigation	(78,710)	(77,307)	(77,307)	(-1,403)	
(Transfer out)	(-20,000)	(-20,000)	(-20,000)		
National flood mitigation fund (by transfer)	(20,000)	(20,000)	(20,000)		
Total, Federal Emergency Management Agency	3,338,421	3,580,477	876,730	-2,461,691	-2,703,747
Appropriations	(870,730)	(971,257)	(576,730)	(-294,000)	(-394,527)
Rescissions	(-12,734)			(+12,734)	
Emergency funding	(2,480,425)	(2,609,220)	(300,000)	(-2,180,425)	(-2,309,220)

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4635)—Continued
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
General Services Administration					
Federal Consumer Information Center Fund	2,622	6,822	7,122	+4,500	+300
National Aeronautics and Space Administration					
Human space flight	5,510,900	5,499,900	5,499,900	-11,000	
Across the board rescission (0.38%)	-23,000			+23,000	
Science, aeronautics and technology	5,606,700	5,929,400	5,606,700		-322,700
Across the board rescission (0.38%)	-25,805			+25,805	
Mission support	2,515,100	2,584,000	2,584,000	+68,900	
Across the board rescission (0.38%)	-3,076			+3,076	
Office of Inspector General	20,000	22,000	23,000	+3,000	+1,000
Total, NASA	13,652,700	14,035,300	13,713,600	+60,900	-321,700
Rescissions	-51,881			+51,881	
National Credit Union Administration					
Central liquidity facility:					
(Limitation on direct loans)		(600,000)	(3,000,000)	(+3,000,000)	(+2,400,000)
(Limitation on administrative expenses, corporate funds)	(257)	(296)	(296)	(+39)	
Revolving loan program	1,000		1,000		+1,000
Across the board rescission (0.38%)	-4			+4	
Community development credit union revolving loan fund		1,000			-1,000
National Science Foundation					
Research and related activities	2,966,000	3,540,680	3,135,690	+169,690	-404,990
Across the board rescission (0.38%)	-7,538			+7,538	
Major research equipment	95,000	138,540	76,600	-18,400	-61,940
Across the board rescission (0.38%)	-1,500			+1,500	
Education and human resources	696,600	729,010	694,310	-2,290	-34,700
Across the board rescission (0.38%)	-5,728			+5,728	
Salaries and expenses	149,000	157,890	152,000	+3,000	-5,890
Across the board rescission (0.38%)	-100			+100	
Office of Inspector General	5,450	6,280	5,700	+250	-580
Total, NSF	3,912,050	4,572,400	4,064,300	+152,250	-508,100
Rescissions	-14,866			+14,866	
Neighborhood Reinvestment Corporation					
Payment to the Neighborhood Reinvestment Corporation	75,000	90,000	90,000	+15,000	
Across the board rescission (0.38%)	-285			+285	
Selective Service System					
Salaries and expenses	24,000	24,480	23,000	-1,000	-1,480
Across the board rescission (0.38%)	-91			+91	
Total, title III, Independent agencies	29,070,497	30,374,144	26,290,139	-2,780,358	-4,084,005
Appropriations	(26,590,072)	(27,764,924)	(25,990,139)	(-599,933)	(-1,774,785)
Rescissions	(-190,514)			(+190,514)	
Emergency funding	(2,480,425)	(2,609,220)	(300,000)	(-2,180,425)	(-2,309,220)
(Limitation on administrative expenses)	(103,043)	(103,043)	(103,043)		
(Limitation on direct loans)	(25,000)	(625,000)	(3,019,000)	(+2,994,000)	(+2,394,000)
(Limitation on corporate funds)	(257)	(296)	(296)	(+39)	
OTHER PROVISIONS					
H.R. 202 - Preservation of Affordable Housing	-14,000			+14,000	
VA Compensation Date Shift 3/		-1,574,000	-1,574,000	-1,574,000	
VA Pension Date Shift 3/		-258,000	-258,000	-258,000	
Grand total (net)	99,171,845	107,949,099	101,269,836	+2,097,991	-6,679,263
Current year, FY 2001	(94,971,845)	(103,749,099)	(97,069,836)	(+2,097,991)	(-6,679,263)
Appropriations	(95,169,893)	(101,139,879)	(97,045,224)	(+1,875,331)	(-4,094,655)
Rescissions	(-2,678,473)		(-275,388)	(+2,403,085)	(-275,388)
Emergency funding	(2,480,425)	(2,609,220)	(300,000)	(-2,180,425)	(-2,309,220)
Advance appropriation, FY 2001/2002	(4,200,000)	(4,200,000)	(4,200,000)		
(By transfer)	(236,727)	(53,660)	(83,661)	(-153,066)	(+30,001)
(Transfer out)	(-203,061)	(-20,000)	(-50,000)	(+153,061)	(-30,000)
(Limitation on administrative expenses)	(103,043)	(103,043)	(103,043)		
(Limitation on direct loans)	(349,860)	(999,985)	(3,243,985)	(+2,894,125)	(+2,244,000)
(Limitation on guaranteed loans)	(359,902,000)	(383,217,000)	(382,217,000)	(+22,315,000)	(-1,000,000)
(Limitation on corporate funds)	(561,333)	(562,372)	(561,372)	(+39)	(-1,000)
Total mandatory and discretionary	92,877,918	107,595,099	101,096,836	+8,218,918	-6,498,263
Mandatory	21,306,626	24,581,866	24,611,866	+3,305,240	+30,000
Discretionary	71,571,292	83,013,233	76,484,970	+4,913,678	-6,528,263

1/ FY 2000 & FY 2001 Request were part of Hazardous Substance Superfund account.

2/ FY 2000 & FY 2001 Request modified to reflect comparable new accounts in Dept of HH&S.

3/ CBO assigned request to authorizing committee.

Mr. SENSENBRENNER. Mr. Chairman, as the House proceeds to consider H.R. 4635, the Veterans Administration and Housing and Urban Development Appropriations Act for Fiscal Year 2001, I wish to highlight several features of this legislation that are important to our nation's science enterprise. I also will comment on EPA's reformulated gasoline mandate.

NATIONAL SCIENCE FOUNDATION

Concerning the National Science Foundation, I support funding at the requested level of $4,572 billion for fiscal year 2001. On May 17, 2000, I introduced H.R. 4485, the National Science Foundation Authorization Act of 2000. This bill authorizes programs at NSF not authorized by the Science Committee in previous legislation. Together with other authorization bills passed by the Committee—including H.R. 2086, the Networking and Information Technology Research and Development Act, and H.R. 1184, the National Earthquake Hazards Reduction Act—H.R. 4485 would boost NSF's FY 2001 authorization to about $4.6 billion, $54 million above the requested level.

While it should be recognized that, with a increase of $167 million, NSF has fared comparatively well in the appropriations process, I would have preferred to see an increase in funding closer to the level requested, especially given the large increases planned for the National Institutes of Health (NIH).

Indeed, I think it is important that the role of NSF in providing the intellectual capital needed both for economic growth and biomedical research be more widely recognized. Today, we are in the midst of one of the Nation's longest economic expansions, an expansion that owes much to technological changes driven by the basic scientific research conducted 10 to 15 years ago. Many of today's new industries, which provide good, high paying jobs, can be linked directly to research supported by NSF.

Moreover, many of the breakthroughs in biomedical research have their underpinnings in research and technologies developed by investigators under NSF grants. The development of Magnetic Resonance Imaging is just one of many examples. We often loose sight of the fact that the ongoing revolution in medicine is as much a phenomenon of the physical and computational sciences as the biological sciences.

I do not begrudge the increased funding provided for NIH, but I think we could achieve a better balance between the biomedical fields and the other fields of science that contribute to our health and well being in ways that may not be readily apparent. The case for maintaining diversity in the federal research portfolio was made in the Science Policy Study, Unlocking Our Future, which found that, ''It is important that the federal government fund basic research in a broad spectrum of scientific disciplines . . . and resist overemphasis in a particular area or areas relative to other.''

If Congress continues to concentrate scientific funding in one area, I am concerned that important research in other ares may be given short shrift. Such a result could have serious consequences for future economic growth and biomedical breakthroughs.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

While I am disappointed that H.R. 4635 does not fund the Space Launch Initiative, I am pleased to note that the bill recommends $13.714 billion for NASA, an increase of $112.8 million over this fiscal year.

I especially commend the hard work of the Subcommittee and Committee leadership, and the Chairmen, to insure that NASA's programs and policy initiatives are sound and emphasize the pursuit of a broad range of space science. Among other notable issues cited in the accompanying committee report, I support the bill's recommendations to fully fund the Space Shuttle, Earth Sciences, and Space Station; to encourage use of the Shuttle for life and microgravity research missions; and to withhold funding for the proposed ''Living With a Star'' program until some of our questions about the program are adequately and fully answered.

As Members are aware, several important NASA programs have suffered some failures this year and the agency is appropriately reexamining its implementation of the concept of ''faster, better, cheaper.'' I believe NASA must continue to pursue cost-savings measures as it designs and builds future space, but that it manage these plans with more agency oversight and with mission costs predicated on appropriate levels of risk.

Finally, I commend the Committee for insuring that NASA's aeronautics activities are properly targeted and that the agency not expend its limited budget on activities that more appropriately fall under the jurisdiction of other federal agencies.

The Space Station and the X–33 continue to drag on NASA's ability to move our space program to the next level of achievement. The Administration made fundamental management errors, in the first instance by allowing Russia to bring station construction activities to a complete halt, and in the second instance by entering into a cooperative agreement with an industry partner without appropriate safeguards to protect the federal investment.

I understand the Chairman is committed to working with the Senate to try and restore the Space Launch Initiative funds in the Conference Report. I look forward to working with the Chairman to accomplish that goal because I believe the program is important.

EPA'S REFORMULATED GASOLINE MANDATE

Under the Clean Air Act, the Environmental Protection Agency (EPA) mandated the sale of reformulated gasoline (RFG) to help reduce ozone levels in areas determined by the EPA to have high levels of ozone. At the time the original requirements were implemented in 1995, I had concerns about RFG's human and environmental health effects, cost, potential harm to engines, and about a possible drop in gas mileage. Numerous studies, including one by the EPA's own Blue Ribbon Panel, have shown my early skepticism to be well founded. The Blue Ribbon Panel recommended the phase-out of MTBE, an RFG additive, because it has been identified as a potentially dangerous drinking water contaminant. Another study, by the National Research Council, concluded that the use of commonly available additives in RFG has little, in any impact on improving air quality.

Now, following EPA's implementation of RFG Phase II requirements, gas prices in the Midwest in areas forced to comply with the new requirements are the highest in the nation. Despite the clear correlation between the areas in the Midwest forced to comply with the RFG mandate and those areas with exceptionally high gas prices, EPA has refused to accept even partial responsibility and has rejected opportunities to provide a solution to the problem. To-date, EPA has refused to grant even a temporary waiver from RFG enforcement despite repeated requests from state and federal officials gasoline consumers, and businesses in Wisconsin and Illinois. EPA has even refused to grant a waiver during the on-going FTC investigation into possible price gouging. Initial reports indicate the FTC's investigation could be lengthy, meaning a resolution to this costly ordeal may not be near.

EPA's lack of strong science to support the RFG mandate and refusal to accommodate the requests of the severely impacted communities is troubling. I continue to be extremely disappointed with EPA's actions on this issue.

Mr. LARSON. Mr. Chairman, the Fiscal Year 2001 VA–HUD Appropriations bill. H.R. 4635, which we are considering today is woefully inadequate and fails to address America's needs in housing, economic development, veterans, and science and technology programs. This is particularly distressing in these times of unprecedented prosperity and rising surpluses.

Among many unacceptable funding provisions, the bill freezes funding for veterans medical research, cuts grants for construction of state veterans homes $30 million below the current year level, and provides $56 million less than requested to improve processing of applications for benefits.

The bill appropriates no funds for the 120,000 new housing assistance vouchers proposed by the Administration. Further, it cuts the Community Development Block Grant by $275 million below the current year level.

And while it provides an increase for research at the National Science Foundation, it falls short of the President's requested increased by $508 million. The bill also fails to adequately provide for National Aeronautics and Space Administration's Science and Technology programs, which the bill underfunds by $323 million. These cuts I believe would jeopardize the future of our space research programs, including programs directed at solving problems here on earth, that are pushing forward the frontiers of knowledge about our universe.

Even more distressing, the bill only appropriates $300 million of the $2.9 billion requested by the Administration for the Federal Emergency Management Agency's Disaster Relief Fund, thereby jeopardizing FEMA's ability to respond quickly and adequately to natural disasters.

Finally, the bill once again seeks to completely eliminate the AmeriCorps National Service program. As a result a great number of important projects that foster involvement and learning in technology by children and adults and programs that bring technology to underserved populations and address weaknesses in our economy, will go unfunded. One of these is Project FIRST (Fostering Instructional Reform Through Service and Technology Initiatives), whose role it is to increase access to technology and its educational benefits in the nation's least-served schools. Another way AmeriCorps is involved with technology is through TechCorps, a national nonprofit organization that is driven and staffed primarily with technologically proficient volunteers. However, these cuts ensure that TechCorps will not receive AmeriCorps/VISTA volunteers to bring this program to underserved, low-income communities.

Mr. Chairman, I believe the cuts in this bill would move America in the wrong direction. Despite our unprecedented economic prosperity, there are significant unmet needs in our nation's communities and in our science and research programs. This bill is part of the majority's strategy of financing tax cuts targeted to the well off by cutting domestic spending. We should not be placing the burden of our prosperity on the backs of the people who will suffer most from cutting programs that meet vital housing, economic development, emergency, and research needs.

I will strongly oppose this bill because it fails to meet our responsibilities to war veterans, to provide relief and recovery after natural disasters, to provide service to the community, to protect the environment, to help meet housing needs, and to undertake the essential research and development that is fueling the magnificent growth achieved by the American economy and enjoyed by the American public in the last eight years.

We can do better, Mr. Chairman.

Mr. WATTS of Oklahoma. Mr. Chairman, I am pleased to see that the Committee's bill includes $10 million to help bridge the Digital Divide in Indian Country. This funding will encourage Native Americans to pursue degrees in information technology and other science and technology fields and will build the capacity of tribally controlled community colleges—and their K–12 feeder schools—to offer high-quality science and technology classes.

According to the National Telecommunications Information Administration (NTIA), poor rural Native Americans are being left behind when it comes to even the most basic telecommunications services. According to one NITA study, 76% of rural households with incomes of less than $5,000 have phones, but only 46% of individuals at the same income level on tribal lands have a telephone connection.

Oklahoma is home to 37 federally-recognized tribal nations and to more than 254,000 tribal members. The Cherokee Nation, located in Tahlequah, is the second largest tribe in the United States with 207,790 members.

That is why I appreciate funding of the $10 million tribal college technology program in the FY 2001 National Science Foundation budget. At this point, it is uncertain whether the Senate will also fund this critical initiative. I hope Congress will work to preserve funding for this important program as the FY 2001 VA–HUD appropriations bill moves forward so that Native Americans in Oklahoma and across America can get the education and training at tribally-controlled community colleges they need to compete and succeed in the New Economy.

Mr. KILDEE. Mr. Chairman, I rise in opposition to H.R. 4635, the FY 2001 VA–HUD appropriations bill. I want to express my concern that the bill provides zero increases for the HUD Indian housing programs. The budget provides $693 million for FY 2001, which is the same amount as the FY 2000 enacted level, and it does not provide any funding for any of the new initiatives proposed by the administration.

The President requested $730 million for Indian housing programs, and the budget we are considering today slashes the President's request by $37 million.

Mr. Chairman, Native Americans continued to have the poorest housing in this country.

The National American Indian Housing Council's fact sheet on Indian housing reveals that—

the poverty rate for rural Native Americans is 37 percent, a rate that is higher than any other racial/ethnic group,

69 percent of Native Americans in tribal areas live in overcrowded homes,

21 percent of homes in tribal areas are overcrowded as compared with the national average of 2.7 percent, and

16.5 percent of Native American households in tribal areas are without complete plumbing.

With that kind of data supporting the need for more Federal funding for Indian housing, we should not support a bill that provides zero funding for the people that need the funding most. I urge my colleagues to oppose the FY 2001 VA–HUD appropriations bill.

Mrs. MEEK of Florida. Mr. Chairman, despite the efforts of my Chairman, who did the level best he could with the subcommittee funding allocation that was given to him, there are numerous funding problems in this bill.

But I rise to express my concerns in particular about the lack of funding to help the poorest of the poor obtain decent housing.

We are living in the period of the greatest economic prosperity in our nation's history.

But even this economic boom has created a housing crisis for many Americans.

In its State of the Cities Report, HUD reported that serious housing problems are increasing at almost twice the rate of population growth. These are the people who pay more than a quarter of their incomes for housing, and the people who have no choice but to live in unsafe or substandard housing.

There are over 5 million families who pay more than 50%—half their income—on housing. This number is the highest in the nation's history, and unfortunately, the number continues to grow.

Worst-case housing needs have been three times as high for families with full-time wage earners than for other families, and particularly high for minority families.

Housing rental assistance is an important solution to the housing affordability problem. HUD's incremental vouchers help families to find homes—families that are currently homeless, living in substandard housing or paying more than half of their income in rent.

Vouchers work: the average waiting period for a Section 8 voucher is about two years. In virtually every urban area anywhere in the country, people making the minimum wage cannot afford even a medium priced apartment rental. Housing vouchers make that possible, and they do it using private sector housing.

Yet the bill does not fund the President's request for 120,000 additional incremental housing vouchers. In fact, despite its claims, it is debatable whether or not this bill will provide HUD with any new vouchers to help our families find safe, decent and affordable housing.

The bill as written claims to allow HUD to provide up to 20,000 additional vouchers.

But this is just ''funny math,'' or ''creative accounting'' because these additional vouchers are only funded in the bill through overly rosey and optimistic estimates of recaptures of unused Section 8 funds.

HUD will only have these vouchers available if the Department recaptures more funds than the amount that HUD itself says can be recaptured.

HUD does not even expect these recaptured funds to be available.

We would never treat rich people this way; you can bet they get hard cash to meet their needs. Yet poor families are shunted aside with a promise that may not even pan out.

Refusing to provide additional incremental vouchers means that families will have to continue to live in substandard housing or pay excessive portions of family income toward rent.

Mr. Chairman, I agree that HUD needs to spend the funds it has recaptured. I understand that HUD has recaptured all the funding it legally can and is taking additional steps to increase voucher utilization. For example:

HUD is instituting a Section 8 management assessment program to identify poor performers.

The Department is providing for the transfer of unused funds to a public housing agency that can use them right away.

HUD has also proposed the use of a voucher success fund in rental markets where public funding agencies are not fully using available funds.

Denying incremental vouchers denies families opportunities for safe, decent housing and affordable housing.

What this bill does is punish the majority of public housing authorities—that are providing critical assistance to families and need more vouchers—because a few public housing agencies have performed poorly.

If funding for the President's proposed additional 120,000 incremental vouchers is not provided, there is a very real danger that this funding will never be made up in subsequent appropriations.

Mr. Chairman, the only way that this bill can be repaired is for the House leadership to provide the additional needed funding.

It makes no sense to underfund such an important bill when the nation is running record budget surpluses and the needs of the poor in this country are unmet.

Mr. BEREUTER. Mr. Chairman, this Member rises today to express his support for H.R. 4635, the VA, HUD and Independent Agencies Appropriations Act for fiscal year 2001. First, this Member would like to thank the distinguished Chairman of the Appropriations Subcommittee on VA, HUD and Independent Agencies from New York (Mr. WALSH), the distinguished Ranking Member from West Virginia (Mr. MOLLOHAN) and all members of the Subcommittee for the work they did under the tight 302(b) allocation.

This Member would like to focus his remarks on the following four areas: Housing, Community Development Fun—Community Development Block Grant (CDBG), America's Private Investment Companies (APICs) and the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) on repetitive loss.

HOUSING

First, this Member would like to comment favorably upon the treatment of the Section 8 and Section 202 programs, which were funded as adequately as we can under the budgetary restraints. The Subcommittee correctly recognizes the demographic shift to a more aging population with the funding for Section 8 contract renewals.

In addition, this Member commends the $6 million appropriation for the Section 184, American Indian Housing Loan Guarantee Program, which this Member created in consultation with a range of Indian Housing specialists. This seems to be an excellent new

program which this Member says without appropriate modesty and recognition of his colleagues support, is providing privately financed homes through a government guarantee program for Indian families who are otherwise unable to secure conventional financing due to the trust status of Indian reservation land. The above appropriation supports loan guarantees totaling $72 million which should assist an estimated 20,000 families.

Moreover, this Member would like to specifically comment the Subcommittee for reducing duplicative efforts of the Federal Government in rural housing and economic development. After a funding level of $25 million in fiscal year 2000 for rural housing and economic development efforts in HUD, the Subcommittee appropriated $20 million for fiscal year 2001 for HUD's rural housing and economic development efforts. This Member would prefer that no money is appropriated for HUD for this purpose.

In fact, this Member testified before the VA, HUD and Independent Agencies Appropriations Subcommittee in opposition to HUD's duplicative efforts in rural housing. As a long-term advocate of rural housing during his tenure in the House, this Member believes that we need to be careful of duplication in the efforts of the Federal Government in rural housing and economic development. In the past, the United States Department of Agriculture (USDA) through their Rural Development offices has successfully implemented numerous rural housing and economic development programs. As a result, this Member disagrees with HUD's efforts to duplicate USDA Rural Development staff.

COMMUNITY DEVELOPMENT FUND (CDBG)

Second, this Member would like to emphasize a concern over the VA, HUD and Independent Agencies Appropriations bill which in large part results from budgetary restraints. The Community Development Fund, which includes the CDBG program, is provided $4.5 billion, which is $295 million less than the fiscal year 2000 level. This reduction is of deep concern to this Member. The CDBG program has been a model of local-Federal partnership.

The CDBG program not only is valuable to the larger entitlement cities, it gives assistance to those communities under 50,000 through state administering agencies. It is a government program with minimal overhead and bureaucracy. Moreover, CDBG has provided invaluable dollars to cities and rural communities for such things as affordable housing, public infrastructure, and economic development.

APICs

Third, this Member does applaud the Subcommittee for providing no new budget authority to HUD for the APIC program. APICs would be companies which are licensed by the Department of Housing and Urban development (HUD) pursuant to a national competition for venture capital firms. Currently, HUD does not have the proper capability to administer APIC. To illustrate this, the Inspector General has labeled HUD a ''troubled agency.'' Rather than focusing on new initiatives like APIC, HUD should focus on its existing projects.

NFIP REPETITIVE LOSS

Lastly, this Member supports the language included in the appropriations measure which provides FEMA with up to $50 million to be obligated for pre-disaster mitigation activities and repetitive loss buyouts following disaster declarations. This Member believes that this appropriation is just a first step in eliminating repetitive loss under the National Flood Insurance Program (NFIP) administered by FEMA. In fact, this Member has introduced a measure, H.R. 2728, Two-Floods-and-You-are-Out-of-the-Taxpayer's-Pocket-Act, which authorizes FEMA to offer buy-outs to repetitive loss properties and to increase the NFIP rates to actuarial for those properties who refuse a publicly funded mitigation offer.

Because of the necessity to fund important housing and community development programs, this Member would encourage his colleagues to support H.R. 4635, the VA, HUD and Independent Agencies Appropriations Act.

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

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

The Clerk will read.

The Clerk read as follows:

H.R. 4635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veteran Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2001, and for other purposes, namely:

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), $22,766,276,000, to remain available until expended: *Provided,* That not to exceed $17,419,000 of the amount appropriated shall be reimbursed to ''General operating expenses'' and ''Medical care'' for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the ''Compensation and pensions'' appropriation: *Provided further,* That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to ''Medical facilities revolving fund'' to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, $1,664,000,000, to remain available until expended: *Provided,* That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98–77, as amended.

AMENDMENT NO. 21 OFFERED BY MR. FILNER

Mr. FILNER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Mr. FILNER:

Page 3, after line 21, insert the following:

In addition, for ''Readjustment Benefits'', $900,000,000 for enhanced educational assistance under chapter 30 of title 38, United States Code (the Montgomery GI Bill), in accordance with the provisions of H.R. 4334 of the 106th Congress as introduced on April 13, 2000: *Provided,* That the Congress hereby designates the entire such amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further,* That such amount shall be available only to the extent of a specific dollar amount for such purpose that is included in an official budget request transmitted by the President to the Congress and that is designated as an emergency requirement pursuant to such section 251(b)(2)(A).

Mr. WALSH. Mr. Chairman, I reserve a point of order against the gentleman's amendment.

The CHAIRMAN. The gentleman from New York (Mr. WALSH) reserves a point of order.

Mr. FILNER. Mr. Chairman, I thank the Chair for his courtesy in hearing this amendment.

I have a series of amendments, Mr. Chairman, that speak to the former statements or earlier statements of the gentleman from New York (Chairman WALSH) to the notion that we are not falling behind, the gentleman says, in our commitment to our Nation's veterans.

It is true that in the last 2 years we have upgraded our spending over the previous year, but that was after a decade or more of flatline budgets. We have not caught up. I ask the gentleman from New York (Mr. WALSH) to visit cemeteries around this country, which are deteriorating. I ask the gentleman from New York (Mr. WALSH) to sit for months and months with our veterans who must wait for doctors' appointments, who must wait for years to get their disability claims adjudicated, who are trying to go to college; and that is the nature of the amendment I have before us today.

Mr. Chairman, in 1981, the education benefit to our veterans which allowed them to go to college was $493 a month. 20 years later, with incredible soaring costs of education and associated expenses, we are paying only $20 more per month.

I ask the gentleman from New York (Mr. WALSH) is that not falling behind? Here we have an amendment to catch up, to make sure that the Montgomery GI bill named after our former Member and great chairman of the Committee on Veterans' Affairs, that the goal of the Montgomery GI bill, to provide meaningful readjustment benefits to discharged Members, while also giving military recruiters an effective tool to support the concept of an all volunteer force.

My amendment will allow us to meet these goals because today this bill is not accomplishing any one of them. We are not providing a benefit that will help our retention and recruitment. We are not providing a readjustment benefit. We are not honoring the sacrifice of our veterans.

My amendment would provide $900 million in additional funding for enhanced educational assistance. This number, Mr. Chairman, is important to explain how it was arrived at.

All the Members of the Committee on Veterans' Affairs applauded when the so-called transition commission reported its findings to our committee. That commission said that the Montgomery GI bill benefit should provide for the full costs of college education and its associated expenses for our veterans. Then we would have a recruiting tool to help our Nation's armed forces. In fact, that notion was embodied in H.R. 1071, the Evans-Dingell bill, which would pay for those full costs, in addition to a stipend of $800 a month.

The chairman of our committee, the gentleman from Arizona (Mr. STUMP), also introduced a bill, H.R. 1182, which would pay for 90 percent of those costs. When we realized that the budget could not provide for that in the short run, a coalition across this Nation of veterans' organizations and higher educational institutions came together and came up with a compromise to say, let us at least provide at the beginning for the average costs of attending a 4-year public school college as a commuter student. That number would come to $975 a month this year for full-time study.

The gentleman from Mississippi (Mr. SHOWS) introduced that bill as H.R. 4334. It has the full backing of veterans' organizations, as I said, all across this Nation, and in accord with that H.R. 4334 would provide all veterans and service members with an opportunity to get a good college education while taking into account the realistic costs of college today.

Let us not forget that it is largely thanks to our veterans that the rest of us are able to be safe and sound at home enjoying this prosperity. We ought to have the opportunity to give them the opportunity to continue their education.

Mr. Chairman, I urge the committee to accept this amendment. The committee would not put this before our Members for a vote following the tradition of many parts of this bill, which have items that are not authorized. I would ask for this committee now to accept this amendment.

Mr. Chairman, I include in the RECORD the statements of various groups across this Nation, including the Veterans of Foreign Wars, the AMVETS, the Noncommissioned Officers Association, the Blinded Veterans of America, in support of this amendment. They all have weighed in, and I include that in the RECORD.

NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA,

Alexandria, VA, June 16, 2000.

Hon. BOB FILNER,
Rayburn House Office Building, House of Representatives, Washington, DC.

DEAR MR. FILNER: The Non Commissioned Officers Association of the USA (NCOA) is writing to state its strong, wholeheared support for your amendment to H.R. 4635, the Fiscal Year 2001 VA–HUD Appropriations Act, that would provide enhanced readjustment educational assistance under the Montgomery GI Bill. Although the House of Representatives recently approved a modest increase to the basic monthly stipend, even when fully implemented the increase approved will still only equate to about 60% of the cost of attending a public four-year college.

The military services are in the throes of a recruiting and retention crisis that is nearing emergency proportion. Recruiting is at its lowest since the all-volunteer force began, even though enlistment requirements have declined by thirty-three percent. Sixty-five percent of high school graduates go on to post-secondary education. Only about 16 of one hundred youth are available as military prospects.

Prospective enlistees rated assistance with education to be the number one attraction of military service for several decades. That, however, is no longer the case. Prospective enlistees and veterans observe and realize the emphasis Congress has placed on higher education by providing more attractive and richer education programs without the sacrifice and risk associated with military service. This realization inevitably results in a negative message to prospective recruits that compounds the bad image which now prevails about military service being an obstacle to a rewarding and productive life—not a means to it.

One comparison dramatically illustrates the need for your amendment. The basic benefit program of the Vietnam Era GI Bill provided $493 per month in 1981 to a veteran with a spouse and two children; however, twenty years later, a veteran with an identical circumstance receives only $43 more. One other comparison illustrates how Congress is sending precisely the wrong message on the need for high quality military members; just last year Congress approved the DC College Access Act that provides grants of up to $50,000 for DC high school graduates to pursue higher educational goals. Today, our warriors who go in harms way will receive a total benefit of $19,296 but only after paying $1200 to establish eligibility (many of who quality for food stamps because of inadequate military pay). This is morally wrong. At a time when military recruitment is difficult and retention is declining, this is also shortsighted public policy.

NCOA firmly believes it is a fundamental responsibility of any great society to honor and help those who accept the disruption and sacrifices that military service brings. The Association also believes that the programs and services, including the educational assistance programs, offered to those who defend our country must be better than the programs that are offered to those who do not. When Congress considers education policy, the starting point should be the veteran education benefit but that has not been the case. By Congress' inattention to a program that is arguably the most important recruiting and retention tool available, Congress has devalued military service and we are witnessing the consequences today. It will take a strong message to reverse course and your amendment is right on target.

An unprecedented partnership of 50 military, veterans and higher education associations endorsed H.R. 4334, The Veterans Higher Education Opportunities Act, upon which your amendment is based. That legislation and your amendment simply says: Individuals who volunteer for and honorably serve in the Nation's uniformed services shall be provided an education benefit equal to the average cost of a commuter student at a public four-year institution of higher learning. For those who have provided for our peace, security and prosperity, providing them with an ''average'' education benefit is reasonable and doable.

The Non Commissioned Officers Associations support this amendment and urge your colleagues to do likewise and help restore the veteran education benefit to the pre-eminent place it should occupy in our society.

Sincerely,

LARRY D. RHEA,
Director of Legislative Affairs.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,

Washington, DC, June 19, 2000.

Hon. BOB FILNER,
House of Representatives,
Washington, DC.

DEAR MR. FILNER: The men and women of the Veterans of Foreign Wars of the United States fully supports your amendment to H.R. 4635, the Fiscal Year 2001 VA–HUD Appropriations Act, which would provide for enhanced educational assistance benefits under the Montgomery GI Bill (MGIB). Although the House of Representatives recently passed legislation that would raise the basic monthly stipend to $600 per month, this amount is not sufficient to compensate for over a decade of underfunding.

Due to chronic underfunding, the Montgomery GI Bill has not kept pace with the rising cost of higher education and now has the distinction of having the lowest usage rate (approximately 49 percent) of any GI Bill in history. Unfortunately, many of the eligible servicemembers and veterans who have paid into the program come to realize that the MGIB monthly payout is not sufficient to meet the cost of attending school. Consequently, they must defer attending school or forego pursuing a higher education altogether.

The historical underfunding of the Montgomery GI Bill has been allowed to persist far too long and should not be deferred for another year and another Congress. The VFW applauds your effort in offering this amendment to provide for enhanced educational assistance, and urges members of the House to give it their fullest support.

Sincerely,

DENNIS M. CULLINAN,
Director, National Legislative Service.

AMVETS NATIONAL HEADQUARTERS,
Lanham, MD, June 16, 2000.

To: TODD HONCHINS.

Subject: Support for Representative Filner's Proposed Amendment to H.R. 4635

Comments: Todd, I just received your request for a letter in support of Congressman Filner's proposed amendment to H.R. 4635. In the interest of time, our comments are contained below.

''AMVETS has argued for several years that the Montgomery GI Bill in its current form no longer serves as the recruiting and retention incentive which Congress intended when it passed the original legislation in 1985. During the intervening period, tuition and other related educational costs have risen dramatically leaving the MGIB participant at a significant disadvantage in today's educational market place.

At a time in our history when Americans are enjoying unprecedented prosperity, we can ill afford to allow those men and women who serve in our Armed Forces and who, through their sacrifices, underwrite the freedoms we enjoy, to be left by the wayside. We know the GI Bill worked. All one has to do is examine its success in helping World War II veterans resume a normal life. MGIB is today's version of that success story, however for its success to be sustained, we must support it at an appropriate funding level. Today we read that DoD recruiting is down; personnel retention is down, military readiness is at an all time low and further, that many service members qualify for food stamps.

Surely ''a grateful nation'' can do better than this in providing support for our men and women in uniform. AMVETS commends Congressman Filner's efforts in championing this effort to restore the Montgomery GI Bill to an effective and responsive program.''

DAVID E. WOODBURY,
National Executive Director.

NATIONAL ASSOCIATION OF STATE APPROVING, AGENCIES, INC.,
JUNE 19, 2000.

Mr. TODD HOUCHINS,
Democratic Counsel, Subcommittee on Benefits, Committee on Veterans Affairs, House of Representatives, Cannon House Office Building, Washington, DC.

DEAR MR. HOUCHINS: This letter is written to express our complete support of the amendment that Congressman Filner is proposing to make to H.R. 4635, for the purpose of enhancing educational assistance under chapter 30 of title 38, United States Code. The amendment would change the benefits received under chapter 30 in accordance with the provisions of H.R. 4334 as introduced on April 13, 2000.

We wholeheartedly believe that members of Congress should accept Congressman Filner's amendment. Numerous studies and reports, including the one issued by the Commission on Servicemembers and Veterans Transition Assistance on January 14, 1999, speak to the need for the Nation to give immediate and serious attention to the importance of making extraordinary changes in the Montgomery GI Bill. Attached is a sheet that reflects some of the primary reasons for immediate change. The reasons were developed by members of the Partnership for Veterans Education, an informal coalition of 49 nationally based military, veterans and higher education organizations that support H.R. 4334.

We stand ready to assist Congressman Filner in helping other members of Congress to realize the importance of this issue and the magnitude of the positive impact that will be realized by the acceptance of the amendment. Please let us know what we can do to assist in the achievement of this goal.

Sincerely,

C. DONALD SWEENEY,
Legislative Director.

BLINDED VETERANS ASSOCIATION,
Washington DC, June 16, 2000.

Hon. BOB FILNER,
House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN FILNER: The Blinded Veterans Association (BVA), the only congressionally chartered veterans service organization exclusively dedicated to serving the needs of our nation's blinded veterans, is extremely supportive of your amendment to H.R. 4635, which will increase funding for the Montgomery GI Bill by $900,000,000. BVA believes educational assistance for our veterans needs to be a priority of the Congress.

An increase in the Montgomery GI Bill not only serves as an incentive for enlistment, but also assists those who might not otherwise afford an adequate higher education and to become a contributing member of this great nation.

Thank you, Mr. Filner, for your great work as a veterans' advocate. We appreciate your assistance in fulfilling the promises made to those who risk their lives to protect this great nation.

Sincerely,

THOMAS H. MILLER,
Executive Director.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from New York (Mr. WALSH) insist on his point of order?

Mr. WALSH. Mr. Chairman, yes, I do.

Mr. Chairman, I make a point of order against the amendment because it clearly proposes legislating on an appropriations bill which violates clause 2 of rule XXI.

□ 1515

The CHAIRMAN. Does the gentleman from California wish to be heard on the point of order?

PARLIAMENTARY INQUIRY

Mr. FILNER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FILNER. Mr. Chairman, I would just ask the Chair if there are not dozens of programs in this bill that are not authorized by this House?

The CHAIRMAN. Will the gentleman repeat his request?

Mr. FILNER. Mr. Chairman, I would like to know if this bill before us, upon which a point of order has been raised because the program is not authorized, even though I see it as an emergency item for our veterans, is it not true that there are dozens of other programs in this bill that are also not authorized by this committee or this House?

The CHAIRMAN. A waiver of potential objections to other portions of the bill is not pertinent to the discussion before us.

The Chair is willing and ready to hear arguments on the pending point of order.

Mr. FILNER. I understand the Chair, but I would argue that a waiver is very pertinent. That is, this House can choose to protect certain programs from a point of order and can choose not to.

I would ask the Chairman of this committee to not raise this point of order, as he has asked the Committee on Rules to waive points of order on dozens and dozens of other programs to provide a basic level of college education to those who have sacrificed for this Nation. It seems to be worthy of a waiver in this case. I would ask the chairman to so do.

The CHAIRMAN. The Chair is prepared to rule. The amendment proposes to designate an appropriation as an emergency for purposes of budget enforcement procedures in law. As such, it constitutes legislation in violation of clause 2(c) of rule XXI.

The point of order is sustained.

Mr. FILNER. Mr. Chairman, is it in order to challenge the ruling of the Chair?

The CHAIRMAN. An appeal of the decision of the Chair is in order.

Mr. FILNER. Mr. Chairman, based on the precedent that there are dozens of other points of order waived in this rule, I move to appeal the ruling of the Chair.

The CHAIRMAN. The question is, Shall the decision of the Chair stand as the judgment of the Committee?

The question was taken; and the Chairman announced that the ayes appeared to have it.

So, the decision of the Chair stood as the judgment of the Committee.

Mr. LAFALCE. Mr. Chairman, I move to strike the last word.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Chairman, I rise in order to express my strong opposition to the very inadequate funding levels for housing and community development in this bill.

This bill continues a very regrettable practice of the majority party to underfund housing programs, with the hope that Congressional Democrats and the administration will go to conference and insist in conference on more realistic funding levels.

I do commend the work of the Subcommittee on Housing chairman, who does the best he can with clearly inadequate funding allocations dictated by the budget resolution. But, at the same time, I am very concerned by inaccurate characterizations that housing is doing well under this bill simply because budget authority is theoretically up by billions of dollars. The truth is, the overwhelming majority of this increase in budget authority does not benefit housing programs, individuals or services at all, but is simply an illusion of higher funding. I will insert into the RECORD a very detailed statement explaining this phenomenon.

Mr. Chairman, 5 years ago, the majority party's first act was to cut the housing budget by 24 percent. We have been playing catchup ever since, in spite of the efforts of Democrats to beef up funding to meet needs.

This year's House bill is no different. The bill is $2.5 billion lower than the administration's request; and, with the exception of the illusory section 8 increases, every program is flat funded or cut.

In response to the 5.3 million households with worst case housing needs, some 12.5 million Americans, including millions of seniors, this bill ignores the administration's request for 120,000 incremental vouchers. It holds out the possibility of 20,000 incrementals, but that is contingent on very unrealistic recapture levels.

In response to the 842,000 Americans who are homeless each night, with estimates of 3.5 million Americans homeless at some point during the year, the bill flat funds homeless programs, and this funding level is 21 percent lower in real terms than it was 6 years ago.

In response to a growing elderly population and escalating rents, this bill flat funds elderly housing, leaving it some 50 percent lower than funding levels 6 years ago.

In response to a multibillion dollar backlog of public housing repair and modernization needs, the bill cuts public housing funding by $120 million compared to last year's level, and this level is 27 percent lower in real terms than the level of 6 years ago.

In the wake of an historic bipartisan agreement on new markets and community renewal, the bill cuts every community development program, including a $275 million CDBG cut, a 20 percent Brownfields cut, and no funding for APIC and empowerment zones.

In a response to the growing problem of predatory lending, the bill flat funds housing counseling, a program which helps first time and existing home buyers cope with home ownership challenges.

Finally, the bill undermines the progress HUD is making in its 2020 management reform plan. Specifically, the bill requires termination of the HUD Community Builder staff, which provides outreach for HUD programs, it threatens termination of contractors hired to inspect section 8 assisted housing, and reduces HUD's staffing levels below the already reduced target levels in this plan.

Now, we can wait for a conference to fix a grossly deficient bill, but the right approach is for the House to fix it now, and, if we cannot fix it in this bill, to oppose the bill.

Mr. Chairman, I include the following for the RECORD.

The VA–HUD bill for fiscal year 2001 produced by House Republicans continues a trend over the last few years of providing inadequate funding levels for housing and community development programs, with a wink and a nod that the shortfall will be addressed in conference.

Overall, the VA–HUD bill provides $2.5 billion less than the Administration's FY 2001 budget. With the exception of illusory increases in the Section 8 account, not a single program receives a funding increase; many receive major cuts. The bill continues to ignore critical needs in affordable housing, community development, and homelessness prevention.

For this, I do not blame the Chairman of the VA–HUD Appropriations Subcommittee, who has strived mightily to do the best he can with a clearly inadequate funding allocation. The real problem rests with the leadership of the majority party, which continues to cling to the fiction that their budget resolution provides adequate levels of discretionary spending—both overall and for housing. They know they will be bailed out in the end by Congressional Democrats and the Administration, who will insist in conference on more realistic funding levels—at least as long as we have this Administration in the White House.

What is disturbing in recent years is the tendency to underfund housing programs in the House VA–HUD bill, but to cite artificial increases in budget authority to claim publicly that no one should complain about the bill's inadequacy because, after all, funding is ''increased'' by billions of dollars for HUD programs.

The bill before us today is a good example of this. Proponents of the legislation point to the fact that budget authority for HUD programs, funded in Title 2, is $4.1 billion higher than the total approved last fiscal year. While technically true, such ''increases'' are illusory. They do not expand programs, improve services, or increase the number of people served.

The major source of this illusion of funding increases relates to the expiration of long-term Section 8 contracts. Decades ago, Congress approved rental assistance for project-based Section 8 housing under multi-decade contracts, with the estimated multi-year costs completely funded in year one. As a result, no additional budget authority has been needed in each of the years of the long-term contract to continue to pay rental subsidies to the tenants in such project-based housing.

However, when these long term contracts expire and are renewed, Congress must for the first time in decades appropriate budget authority for the first year renewal cost of these rental subsidies. The result is a significant increase in budget authority (from zero to the annual cost) for all expiring contracts in any given year. Yet, the effect on budget outlays of this expiration is zero. And, the impact on the tenant is zero. The so-called budget authority ''increase'' is simply illusory.

The majority party acknowledged this in 1997, during consideration of the 1997 bi-partisan balanced budget bill. At the time, we were just entering a period in which we anticipated an explosion of these expiring HUD contracts. As a result, budgeteers anticipated annual increases in required budget authority of several billion dollars a year. And, the majority party promised to build in these virtually automatic budget increases into their discretionary spending baseline. Moreover, when Section 8 reserves and recaptures occurred over the last few years, HUD proposed to use this excess budget authority to soften the impact of the anticipated increases caused by expirations. Instead, the majority party has repeatedly rescinded these Section 8 funds, in order to offset non-housing programs. When Democrats complained, we were assured that HUD would be made whole.

Yet, in recent years, the majority party appears to be trying to mask the inadequate funding levels for housing by citing the budget authority increases caused by the expiration of Section 8 contracts. This year is no different. Approximately $3 billion in increases in Section 8 budget authority relate to expiring contracts.

To be fair—to be consistent with what was promised in the 1997 budget bill and subsequent rescission bills—we should refrain from characterizing these as ''increases'' in housing funding.

Moreover, there are other factors that contribute to the illusion that funding for housing is going up this year. For example, in FY 2000, we had over $1 billion in one-time reductions in HUD budget authority, relating to Section 8 recaptures, rescissions, and FHA provisions which are not expected to occur in FY 2001. The effect is the same as the Section 8 contract expiration phenomenon—the appearance of an increase in funding, but no corresponding benefit to housing programs, services, or low-income individuals assisted.

Finally, we have some $300 million in ''increases'' in this year's appropriations bill which are at heart mere accounting changes for administrative expenses and costs in FHA and GNMA. In effect, the HUD target is taking a hit for allocations for costs in programs which, under the mandatory side of the budget, account for billions of dollars in profits to the federal taxpayers. In any event, this does not produce additional housing or housing services.

What is left, out of the billions in gross budget authority increases for housing in the bill before us today, is a few hundred million dollars in increased Section 8 costs for inflation adjustments for Section 8 tenants. In contrast, every other housing program is either flat funded at last year's levels or receives cuts. And, virtually every program is underfunded compared to need.

5.3 million households (12.5 million Americans, including millions of senior citizens) have ''worst case housing needs''—that is, they pay more than 50% of their income for rent or live in severely substandard housing. The average waiting period for a Section 8 voucher or public housing unit is over two years. In every urban area nationwide, a minimum wage does not provide adequate income to afford a median period apartment rental.

In response to this crisis the majority party in 1995 rescinded the 62,000 incremental Section 8 rental vouchers funded by Democrats the year before. The pattern since then is clear: the Administration proposes incremental vouchers, and the majority party ignores that request in the House VA-HUD bill. This year is no different. In response to the Administration's proposal for 120,000 incremental vouchers, the bill holds out the mere possibility of 20,000 vouchers—contingent on overly optimistic Section 8 recapture levels, and therefore unlikely to materialize.

The majority justifies this inaction by blaming HUD for what it characterizes as unacceptably low voucher utilization rates. This criticism is not valid. A major cause for less than 100% utilization rates is the normal down time for Section 8 recipients to find housing opportunities—a particularly severe problem in low vacancy areas. To the extent that some housing authorities are not doing a good job in putting vouchers out, the problem lies with them, not with HUD. Moreover, these concerns do not justify ignoring the tremendous unmet rental subsidy need.

According to the Urban Institute, on any single night, 842,000 Americans are homeless, and at some point during the year 3.5 million Americans are homeless. Many homeless are working poor. Yet, the VA-HUD bill does not increase funding for homeless prevention programs, leaving funding 21% lower in real terms than six years ago, the last time Democrats controlled Congress.

As our population ages, and as rents escalate at a faster rate than fixed incomes and inflation, the problem of housing affordability for seniors continues to grow. Yet, the VA–HUD bill flat funds elderly housing—leaving it 53% lower in real terms than the level of six years ago. When Democrats offered an amendment to increase elderly housing by $69 million up to the President's level, an amendment fully paid for by FHA program changes, the majority voted no on a party line vote.

Public housing units face a multi-billion dollar backlog of repair needs. Yet, the bill cuts public housing funding by $120 million, compared to last year's bill. The bill's proposed level is 27% lower in real terms than the level of six years ago.

The bill undercuts the President's recently announced New Markets Initiative agreement with Speaker HASTERT, by cutting every community development program, including a $275 million cut from last year's level for CDBG; a $44 million cut in CDBG Section 108 loan authority; zero funding for Empowerment Zones; zero funding for APIC loan guarantees (part of the New Markets Initiative); and a 20% cut in funding for Brownfields Redevelopment.

The bill cuts the HOME program, which funds low down payment homeownership programs and affordable housing construction. And, the bill ignores HUD's request for a $9 million increase in housing counseling, leaving funding down 70% compared to six years ago. Counseling is an important tool in fighting the growing problem of predatory lending.

Finally, the bill undermines the progress HUD is making in its 2020 Management Reform plan. Specifically, the bill requires termination of the HUD Community Builder staff which provides outreach for HUD programs, threatens termination of contractors hired to inspect Section 8 assisted housing, and reduces HUD staffing levels below the already reduced target levels in this plan.

I am particularly baffled by the majority's decision to completely eliminate the Community Builder program at HUD. This program is an important component in HUD's consolidation plan. The purpose is to have a staff of professionals whose sole job is to provide community outreach for and assistance with HUD programs. The purpose is to separate this function from program management and oversight functions.

Last year, the Appropriations Committee expressed its concern about the ''External Community Builders'' program, especially with respect to the way these personnel were hired. Last year's bill required the termination of the external community builder program, and prohibited HUD from rehiring these individuals, except through normal civil service procedures. The bill clearly did not require or even hint at the termination of the internal community builder program. In fact, there was language indicating how the program should continue to be managed.

Now, the majority is reversing itself by eliminating the community builder program entirely, and mandating the firing of all community builders—even those hired years ago and unaffected by last year's policy. There are a number of reasons why this is wrong.

First, elimination of this position means that HUD will not be able to keep open some of their smaller field offices. Without the multi-disciplinary background of community builders, the choice will in many cases be between closing a field office or bringing in a larger number of personnel to cover the various program areas—personnel which are not available in a downsized HUD. Inevitable, some smaller field offices will be closed.

Second, it is bad policy to undermine a program designed to make HUD more responsive and accountable to the public. This is a major setback to HUD's management reforms. HUD will lose its staff that is experienced in these functions, and will be forced to totally reorganize its staffing structure, to the point where individuals go back to mixing program management and outreach responsibilities.

Third, the bill before us, incorrectly in my view, implies that HUD has failed to follow last year's policy directives. In fact, all external community builders are being terminated. No one is either slotted back into HUD directly or even given a preference because of their role as external community builders. And, the GS levels of replacement hires is on average significantly below the levels of the former external community builders.

I am also baffled why funding for ''Contract Administrators'' is made contingent on achieving unrealistic levels of Section 8 recaptures. This line item pays for the hiring of independent contractors which perform physical inspections of HUD-assisted project-based housing.

Last year, the Housing Subcommittee held a hearing in which the GAO testified about the level of progress HUD is making in its management reforms. Yet, one of their principal concerns that GAO cited about HUD was that it did not have a good handle on its Section 8 project-based stock. Therefore, it makes no sense, as this bill does, to make funding for inspection of Section 8 housing contingent on unrealistic Section 8 recapture levels.

You can't have it both ways—criticizing HUD for its oversight, then robbing HUD of the tools it needs for this oversight.

In closing, I urge members not to overlook the housing funding inadequacies in this bill, simply because budget authority is going up, or because we have vague promises that ''things will be taken care of in conference.''

Five years ago, the majority party cut the HUD budget by 24%. Housing funding has struggled to catch up ever since. This bill does not address the 5.3 million American households with ''worse case housing needs.'' This bill does not address the 842,000 Americans that are homeless on any given night. This bill does not address the need to extend our strong economic growth to all communities and individuals.

We can and should do better.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, $19,850,000, to remain available until expended.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during fiscal year 2001, within the resources available, not to exceed $300,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $161,484,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $1,000, as authorized by 38 U.S.C. 3698, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $3,400.

In addition, for administrative expenses necessary to carry out the direct loan program, $220,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $52,000, as authorized by 38 U.S.C. chapter 31, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $2,726,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $432,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, $532,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Not to exceed $750,000 of the amounts appropriated by this Act for ''General operating expenses'' and ''Medical care'' may be expended for the administrative expenses to carry out the guaranteed loan program authorized by 38 U.S.C. chapter 37, subchapter VI.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the department; and furnishing recreational facilities,

supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the department for collecting and recovering amounts owed the department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq. and such sums as necessary to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5): $20,281,587,000, plus reimbursements: *Provided*, That of the funds made available under this heading, not more than $3,000,000,000 may be used for the operation and maintenance of facilities: *Provided further*, That of the funds made available under this heading, $927,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 2001, and shall remain available until September 30, 2002: *Provided further*, That of the funds made available under this heading, not to exceed $900,000,000 shall be available until September 30, 2002: *Provided further*, That of the funds made available under this heading, not to exceed $28,134,000 may be transferred to and merged with the appropriation for ''General operating expenses'': *Provided further*, That the Secretary of Veterans Affairs shall conduct by contract a program of recovery audits for the fee basis and other medical services contracts with respect to payments for hospital care; and, notwithstanding 31 U.S.C. 3302(b), amounts collected, by setoff or otherwise, as the result of such audits shall be available, without fiscal year limitation, for the purposes for which funds are appropriated under this heading and the purposes of paying a contractor a percentage of the amount collected as a result of an audit carried out by the contractor: *Provided further*, That all amounts so collected under the preceding proviso with respect to a designated health care region (as that term is defined in 38 U.S.C. 1729A(d)(2)) shall be allocated, net of payments to the contractor, to that region.

In addition, in conformance with Public Law 105–33 establishing the Department of Veterans Affairs Medical Care Collections Fund, such sums as may be deposited to such Fund pursuant to 38 U.S.C. 1729A may be transferred to this account, to remain available until expended for the purposes of this account.

None of the foregoing funds may be transferred to the Department of Justice for the purposes of supporting tobacco litigation.

AMENDMENT OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAXMAN:

Page 9, line 3, before the period insert the following: '', except for the funds for the administrative and legal expenses of the Department of Veterans Affairs for collecting and recovering amounts owed the United States as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C. 2651 et seq.).''.

Mr. WAXMAN. Mr. Chairman, I am offering this amendment along with the gentleman from Illinois (Mr. EVANS), the ranking member of the Committee on Veterans Affairs, the gentleman from Utah (Mr. HANSEN) and the gentleman from Massachusetts (Mr. MEEHAN), who are the co-chairs of the House Caucus on Tobacco and Health, and the gentlewoman from Michigan (Ms. STABENOW). It amends a rider in the bill that would have the effect of blocking the Justice Department's lawsuit against the tobacco companies.

Tobacco use may be the single greatest threat to public health in the United States. It kills hundreds of thousands of Americans every year. It is a particular threat to children, who are bombarded by slick advertisements inducing them to smoke, and to veterans, who often become addicted to nicotine while in the service.

With the magnitude of the health threat, Congress' record on tobacco has been absolutely abysmal. In 1998, I reached across party lines to reach an agreement with the gentleman from Virginia (Mr. BLILEY), the chairman of the Committee on Commerce, on how to regulate tobacco. This was an historic agreement, because the gentleman from Virginia (Mr. BLILEY) and I had long been opposed to each other on tobacco issues. Our agreement addressed many of the most contentious tobacco issues, including FDA regulation, environmental tobacco smoke and reducing youth smoking. But the leadership did not even allow a vote on the floor on our bipartisan proposal.

Since then, Congress has done very little to protect children and public health from tobacco. When the Supreme Court struck down the FDA regulation of tobacco earlier this year, the court invited Congress to act, calling tobacco use ''perhaps the single most significant threat to public health in the United States.''

But Congress has not even held a single day of hearings on FDA jurisdiction, and today we are considering legislation that would actually shield the tobacco companies from Federal liability. This most likely will be the only legislation which we will consider on the House floor dealing with tobacco.

Mr. Chairman, tucked away in this bill is a rider that is worth hundreds of billions of dollars to the tobacco industry. This rider protects the tobacco industry at the expense of health care for our veterans and the well-being of our children.

Last fall, the Justice Department filed the suit against the tobacco industry. The suit alleges that decades of deceit by the tobacco industry have caused Federal taxpayers to spend billions paying for tobacco-related illness. The suit seeks recovery of those funds, as well as injunctive relief, to stop the companies from marketing to children and engaging in other deceptive and illegal practices.

This lawsuit is good for the American taxpayer, who spend over $25 billion a year to treat tobacco-related illnesses. Recovery of Medicare funds would be deposited into the Medicare Trust Fund, thus adding years to Medicare's solvency.

This lawsuit is also good for veterans. Currently the VA spends over $1 billion a year treating tobacco-related illness. Under the Medical Care Recovery Act, any recovery of these funds would be returned to the VA health program. The VA stands to recover billions of health care dollars, dollars that could be used to provide critically needed health care to our veterans.

The lawsuit is modeled on the successful litigation by the States attorneys general, but it will have no effect on their suit or their settlement. It will also have no effect on small retailers. The defendants in this case are all major cigarette manufacturers.

Despite the merits of the suit, a rider in this bill prohibits the VA from transferring funds to the Justice Department for tobacco litigation, and effectively blocks VA from participating in the lawsuit.

There is no question who is behind this rider. It is the tobacco industry. Philip Morris has been actively lobbying Congress. Last week I mailed a ''Dear Colleague'' letter that attached the talking points Philip Morris is using. You may even hear some of those talking points in the debate today.

Philip Morris argues this amendment will use VA health care funds for the tobacco lawsuit.

□ 1730

This is simply false.

The amendment expressly states that only funds that can be used for the VA lawsuit are ''the funds for the administrative and legal expenses of the Department of Veterans Affairs for collecting and recovering amounts owed the United States,'' not funds intended for veterans' health care.

Philip Morris also argues that the rider is not about tobacco. Of course this issue is about tobacco. Philip Morris's argument has as much credibility as their testimony that nicotine is not addictive.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. WALSH. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, my colleague alleges that this bill stops the tobacco lawsuit, that what we have done in this bill stops the tobacco lawsuit. That is not true. I can assure the House that the VA-HUD bill does not have jurisdiction over the Department of Justice nor its priorities. Nothing in this bill prohibits the Administration or the Department of Justice from moving forward with the lawsuit.

One of the problems with these politically motivated debates is that individual's motivations are questioned.

Mr. Chairman, I do not smoke; I did. I realized it was habit forming; I realized it was bad for my health, so I quit

about 25 years ago. I hope every American comes to that realization themselves. Those who would support the subcommittee's position here would be accused of being sold out to the tobacco industry. Well, again, questioning people's motivations does very little to dignify the debate. But I would state for the record that I have never accepted tobacco contributions.

We are trying to craft a bill here that provides resources for our veterans. We have heard Member after Member, one after another, come up and say we are not putting enough money in here for veterans' medical care, one after another. We are doing our level best to fund veterans' medical care. We put in $1.7 billion last year, $1.35 billion this year; and people still say it is not enough.

If this lawsuit started to draw down veterans' medical care funds, and that is what this does, regardless of what the gentleman says, it comes out of the veterans' medical care budget, which is $4 million to $6 million a year every year for however long the suit goes on.

We have heard the gentleman from New Jersey talk about veterans with hepatitis C. We tried to put additional funds in to deal with that deadly disease, but we did not meet expectations. There is more need out there. This takes $4 million to $6 million out of the veterans budget for hepatosis C, for HIV/AIDS, for spinal injuries, for mental health care, for drug prescriptions.

Mr. Chairman, these funds are precious; and they are dear. Let the Justice Department take it out of their own budget. That is their job. They are the lawyers. They have thousands and thousands of lawyers at the Department of Justice. The VA has hundreds and hundreds of doctors, and thousands and thousands of veterans; and we need to use those resources to take care of that commitment for medical care.

If the Department of Veterans' Affairs and the Administration want to use VA dollars to pay for this lawsuit, they can take the money from the Secretary's office or the general counsel's office. This bill says we cannot take money from veterans' medical care account. This language is limited to one account out of 18 that funds the Department of Veterans Affairs.

I am also concerned about how money derived from this litigation will be spent. No one on the Subcommittee on VA, HUD and Independent Agencies has seen a formal, binding agreement from the Administration or the Department of Justice on how these dollars will be spent between VA, Defense and Health and Human Services. The Administration tried in the past to bolster the budget with new spending from a fictional tobacco settlement. Yet VA's health funding remained level.

I am all for seeing more dollars for VA in health care and I think every member is, but I have not seen the contract yet. The Administration has never said that any settlement would go to the veterans. In fact, in their third-party collection funding scheme, those funds would go to the general Treasury and not to the veterans agency or to veterans' medical care.

So regardless of what we are going to hear, let the Justice Department handle the lawsuits, let the Veterans Administration handle veterans' medical care.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this place is something else. I am no blue nose. If people want to make an informed decision to smoke, so be it. I used to smoke three packs of cigarettes a day. At the same time, I worked with asbestos. Johns Manville Corporation knew since 1939 that asbestos caused cancer, but I did not when I was working with it, because they hid it from consumers and from the Government itself. I also did not know, but Johns Manville did, and I believe the tobacco companies did too, that there was a synergistic effect between asbestos and tobacco, and when one is exposed to both, one's chances of getting cancer increased at a geometric rate. So very frankly, since those days I have been waiting for the shoe to drop.

We have the same situation with the tobacco company executives that we had with the asbestos company executives. Both of them lied through their teeth for years. When the gentleman from California's (Mr. WAXMAN) subcommittee was holding the hearings, we all remember the famous seven tobacco company presidents standing up and swearing to tell the truth, and then proceeding to tell the committee that no, no, no, they did not believe that tobacco caused cancer. Well, they had in their files information that demonstrated that they certainly knew it did.

So we have listened to their bull gravy for 50 years. Now we have a question as to whether or not we are going to do anything about it or not.

The gentleman said there is nothing in this bill that prohibits the tobacco settlement, or the tobacco lawsuit from going forward. That is speaking only half the truth, because what is happening is that the appropriation bill which we will consider next, the Subcommittee on Commerce, Justice, State, and Judiciary appropriation bill, forbids the Justice Department from using its own funds to pursue a tobacco settlement; and then they have in other appropriation bills, in the Defense bill, in this bill, and I believe in one other appropriation bill, they also say that you cannot use funds from any of the other agencies and allow the Justice Department to use those funds from other agencies to pursue their tobacco suit either.

So slowly, the Justice Department is being surrounded by this multiplicity of attacks in appropriation bills. I think that that is wrong, and I think we ought to adopt the gentleman's amendment.

Now, I know that we will hear people say ''oh, we are going to take money away from veterans' health care and use it to fund this suit, and it is just going to go into the pockets of the lawyers.'' The fact is that I offered seven amendments in one session alone, trying to get the majority party to increase funding for veterans' health care, and they turned them all down and they did that 2 years in a row. I would suggest now, to say that the veterans' department, which has the potential to gain hundreds of millions of dollars in additional revenue for veterans, for the treatment of their problems, to say that they cannot try to do that by expending $4 million out of their own funds to pursue this case on behalf of every veteran and on behalf of the taxpayers is ludicrous, at best.

Mr. Chairman, I would simply point out also that if one checks the facts about litigation only enriching lawyers, the administration has indicated that the department has not engaged any lawyer on a contingency-fee basis. They did engage one firm on a limited arrangement on terms that were favorable to the Government. Under that contract, which ran for 3 months, the firm provided assistance to the Department at a reduced rate of $75 per hour, well below normal billing fees. The payment for services to that firm total less than $80,000.

So we should not kid ourselves. Every time we hear somebody say, this is not about tobacco, remember, it is about tobacco, and it is about lying, and it is about whether or not we will defend the taxpayers' interests to recoup the billions of dollars that have been spent. It is about meeting our responsibilities, to see to it that the taxpayer is not stuck with the cost of providing health care to veterans and other folks in this society because the tobacco companies lied and caused billions of dollars' worth of damage in the process.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, we promised the veterans a couple of years ago when we took away money for their disability based on tobacco smoking and all of the illnesses that resulted from it, that we would pursue this litigation and get back into the veterans' program money that rightfully belongs in that program because of the deception add bad-doing, fraudulent actions of the tobacco companies. After years of deceit and deception, it is right to hold the tobacco companies accountable for their false promises, misrepresentations, suppression of knowledge about the health risks of tobacco.

This rider would stop the litigation. The Attorney General, Janet Reno,

today, in a press conference, announced that if this rider goes through, prohibiting the transfer of funds, she will not have the ability to pursue this litigation; she would have to drop the lawsuit.

We are not, and I want to emphasize this, because there seems to be some misunderstanding even on the part of the chairman of the subcommittee about our amendment. We are not transferring money from veterans' health care, but only from the veterans' health care fund for litigation, for expenses and legal fees. What more appropriate use of those funds would there be than to go against the tobacco companies to recover money for the veterans' health program and to keep our promise to the veterans that we would get money to put into veterans' health to make up for that which we took away from them over the years, just 2 years ago and to make up for the deceptions that the American Government placed on veterans when we encouraged them to start smoking in the past, which caused so much of the death, disability, and illness for which we could now get recovery from the tobacco industry. I thank the gentleman for yielding.

Mr. OBEY. I would simply say that to suggest that the veterans are getting a bad deal by asking that $4 million be spent on this suit when we can get back hundreds of millions of dollars in return is patently preposterous on its face.

Mr. EVANS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I urge my colleagues to support this amendment by our colleague from California, because it simply allows the wheels of justice to move forward.

Mr. Chairman, there is something terribly wrong with the leadership of this body. During the last Congress, despite overwhelming facts to the contrary, the leadership effectively denied veterans the opportunity to seek legitimate compensation from the Department of Veterans Affairs for tobacco-related illnesses and disease, as well as tobacco addiction, during their service in the Armed Forces. That day, I believe, was one of the least noble moments in the history of this body.

Now, adding insult to injury, the leadership of the House seeks to deny the funds needed for our Federal Government to continue to seek, in court, the recovery of costs the Federal Government has incurred treating tobacco-related illnesses. It is a sad day indeed when the leadership of this House seeks to shield the tobacco industry from legitimate legal action brought by the Federal Government.

We must not forget these facts: funds spent by the Department of Veterans Affairs for health care used to treat tobacco illnesses and disease have been estimated to be between $1 billion and $4 billion a year. As many as 75 percent of our World War II veterans began smoking as young adults during their military service. Cigarettes have been distributed free of charge to members of the Armed Forces as part of their so-called ''C-rations,'' and the labeling requirements warning of the dangers of nicotine and tobacco did not become mandatory for products distributed through the military system until 1970, 5 years after this labeling was required for the civilian market.

□ 1745

Tobacco products were sold by the military at substantially discounted rates. As late as 1996, commissary tobacco prices were up to 76 percent less than commercial retail prices.

Those who support the tobacco industry will make the argument that using VA funds to finance this lawsuit will mean less money for medical care. The truth is, these dollars would be added to the administration's request after negotiations between the VA and the administration have concluded.

As an additional safeguard, our amendment would be directed at using only funds that would otherwise be used for nonmedical purposes; specifically, for the administration and legal expenses incurred in pursuing this lawsuit. It is misleading to say that these funds will be designated for health care.

Earlier today, four major veterans organizations spoke in support of this amendment. Veterans who will benefit from the successful outcome of this litigation will not be fooled. They want this litigation.

In the name of justice, support the Waxman-Evans-Hansen-Meehan-Stabenow amendment.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, people back in my district always ask me, they say, is it difficult being in Congress? They say, what is the worst thing that goes on? I always reply, the partisanship that exists between the two parties.

No matter what we do, how much we try and increase, put up priorities, the other side of the aisle wants the majority back, so they will blast anything we do.

The gentleman from Wisconsin (Mr. OBEY) just said that he had 7 different amendments to increase veterans' health care. Most of us on both sides of the aisle support increasing health care for veterans, and also making sure that the fraud and abuse, like within the VA system, $1 million a day, is taken care of.

Yet, when we get to the House floor here, Members will see and hear, well, it is only tax breaks for the rich. We do not think that paying taxes back to people because they get married is a tax break for the rich, or money that people invest with their families their whole lives, they pay taxes on, build up their business or farm, and where the government wants to come in and take 55 percent of it back, that that is a tax break for the rich. There is a legitimate difference of opinion.

I would say to my friends on the other side, we added $1.7 billion, the highest ever for veterans' health care last year, and $1.4 billion this year. Yet, it is never enough. We will hear, ''more research, more HUD,'' and in the last bill, ''more Labor-HHS.'' On every single line item, Members the other side of the aisle say, we want more, we want more.

There is a difference between fiscal responsibility and irresponsibility. For 30 years they ran the House. Let me give an idea. If we pay down the national debt, we spend nearly $1 billion a day on just the interest, so $360-some billion we would have put into the coffers. But if we continue spending like my colleagues on the other side did when they had the majority, the other side of the aisle, then we just keep increasing that debt.

In 1993, when they had the White House, the House, and the Senate, they cut veterans' COLAs. My own party at one time wanted to cut veterans' COLAs. We fought that in our conference and defeated it. I think it is wrong. But Members just continue to spend and build up the national debt.

They talk about the President's budget. We as Republicans brought the President's budget back last year to the floor to show how ridiculous it was. Not many Democrats voted for it. Yet, they say the President wanted $1.2 billion, and we are only putting a $500 million increase, so we are cutting. That kind of rhetoric is what makes it difficult to work here, instead of coming together and helping in veterans' health care.

I am a veteran, a combat veteran. Most of my colleagues on that side of the aisle know it. The only area which some of the people that are blasting us will support is every other area but defense. Watch, there will be a couple of amendments here today to take out selective service.

In time of national emergency, in time of national emergency we are going to need the selective service program not only for biological and chemical weapons that may come forward, but if we end up in a WWII or World War III, that is the only time it would be used.

I ask my colleagues, cut the rhetoric: ''Tax breaks for the rich.'' Some people believe it, but they know it is ridiculous. Cut the rhetoric: Well, the President's bill did this. They did not even vote for the President's budget. Only four Democrats voted for it, so the numbers there are inaccurate.

Let us sit down and work in a bipartisan way. Let us increase veterans and let us support it, and take this bill on to conference.

Mr. MOLLOHAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the gentleman's amendment. The Department of Veterans Affairs' medical budget is not the appropriate place

from which to fund Department of Justice lawsuits. It funds the Veterans Administration Department's own legal expenses, and funding Department of Justice lawsuits to the tune of $4 million or even higher, because there is no limitation here, would significantly reduce funds available for veterans' medical care.

Mr. Chairman, it has been stated or alluded to that the effect of the restriction placed in the bill, and let me read it, Mr. Chairman, it says, ''None of the foregoing funds may be transferred to the Department of Justice for purposes of supporting tobacco litigation.'' The restriction in here only says that none of the funds out of the Veterans Affairs medical budget can be transferred to the Department of Justice for its litigation purposes.

It has been alleged that that has the effect of blocking the Department of Justice's lawsuit against the tobacco industry. I respectfully disagree with that. It does no such thing. It does not preclude the Department of Justice from moving forward with lawsuits. What it does do, the bill language simply prohibits the Veterans Administration from transferring veterans' medical care dollars to the Department of Justice. That is the only intention and the only motivation, to preserve those scarce medical care dollars.

That money would come out of the medical care collections fund. Indeed, it does fund legal expenses for the Veterans Administration in this area: ''Legal expenses of the Department for collecting and recovering amounts owed the Department.'' There are people very busily working over at the Veterans Administration spending dollars out of that account to collect third party pay, to collect dollars that are owed from other areas. They significantly multiply their salaries. That is, they are responsible for generating a lot of dollars. Take that $4 million out of this account and, arguably, we would reduce by a factor of many times $4 million the amount of money available for veterans' medical care.

The budget for veterans' medical care has been severely stressed during the last several years. After 2 years of flat budgets, Congress enacted a substantial increase in medical care last year. The bill before us today builds on that increase by fully funding the President's budget request for medical care, more than $1.3 billion over current funding.

I cannot support an effort to divert funding from this priority in order to fund the operations of another agency. God bless the other agency, let them move forward with their lawsuit with their own funds; in this case, the Department of Justice. That department, the Department of Justice, has received significant increases during the past decade, as opposed to the Veterans Administration. In 1990, the Department of Justice received $8.8 billion. By 1996, that had risen to over $16 billion, and current year funding is over $20 billion.

The Department of Justice is not an agency that has faced the same restrictive budgets as the VA. It can afford to prosecute this lawsuit without taking money out of the veterans account.

Each appropriations subcommittee must establish its own priorities for the agencies under its jurisdiction. Mr. Chairman, let me point out that the veterans organizations are split on this issue, but that the American Legion, while it supports the Department of Justice going forward with its lawsuit, does not support taking health care dollars from the VA to pay for the litigation and thinks it is counterproductive, especially with the growing demand for services by the aging veteran population.

This amendment does not stop any litigation, or this restriction, excuse me. It simply provides that that money will not come out of veterans' health care, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I associate myself with the ranking member and the chairman, the gentleman from New York (Mr. WALSH), in rising in opposition to this amendment, and I would like to clarify some misconceptions about the language its sponsors are attempting to remove from our bill.

Contrary to some of the Dear Colleagues and other letters that have been circulated, the language in the VA–HUD bill does one thing, it prevents the VA from taking funding from the veterans' medical care account to pay for lawsuits against tobacco companies.

Our committee language does not, I emphasize, does not prevent the VA from giving the Justice Department money to pursue their lawsuit, so the gentleman's amendment is not necessary.

Frankly, I am no friend of tobacco, of the industry, but we have not worked so hard on our committee in a bipartisan way to increase the medical accounts over the past 4 years and the VA's budget on behalf of our veterans to see the administration and the Department of Justice push our veterans out of the way so they can flog tobacco companies using funding from this and other appropriations bills.

The statistics are grim. An estimated 30,000 veterans from the World War II era are dying each month. These men and women need medical care today, not 3 or 4 years down the road. That is why none of this critical funding should be diverted from their medical care, care that they have more than earned and deserve. Too much has been taken away from our veterans already to deal them this additional blow.

For those who might forget or wish to forget, the TEA–21 bill signed by the President in 1998 and sponsored by a majority in this Chamber, and supported by them, cut veterans' disability payments for smoking-related illnesses by $14.4 billion to pay for highways and other important transportation projects. I voted against this bill because that $15.4 billion should have been spent on compensating veterans with tobacco-related illnesses, or redirecting it into paying for veterans' medical care for veterans with smoking-related illnesses, as well as other veterans, instead of paving more highways and building more roads and taking care of more worthwhile projects.

Now, the administration is proposing to take $4 million from the fiscal year 2001 allocation for veterans' medical care accounts to pay the Justice Department's legal expenses to sue tobacco companies.

Some have argued to me that $4 million is a small amount of money and its diversion makes little difference overall to veterans' medical care. But I can tell the Members, $4 million would provide for veterans in my district a lot of necessary things related to Hepatitis C, related to prescription drugs.

Our committee language already allows the VA to use funding from somewhere else within its budget, just not from an account that directly pays for veterans' medical care. There are a number of other accounts within the Department of Justice that the VA can take money from, including departmental administration, general operating expenses, medical administration and miscellaneous operating expenses, construction, major and minor projects, other types of grants.

These accounts total over $1.36 billion, and the VA cannot find $4 million from those accounts to pay for this lawsuit? That is incredible. The Secretary should cut his own budget and reduce administrative overhead before he raids the veterans' medical care accounts to comply with White House directives.

The VA should use every dollar appropriated for veterans' medical care to provide for the men and women who fought our wars, and to ''care for him who shall have borne the battle.''

I do not oppose lawsuits against the tobacco industry. I certainly do not receive any financial contributions from them. I do oppose the use of veterans' medical care dollars to pay for the Justice Department's lawsuit.

□ 1800

In closing, let me repeat that this language does not prohibit the VA from participating in the lawsuit. Our committee language does protect veterans' medical care dollars to make sure they are spent today for the reason they were intended, to provide for the 25 million men and women in this country who bore the cost of battle and who have fought to defend our Nation's freedom.

Mr. MEEHAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment of the gentleman from California (Mr. WAXMAN) and my colleagues and my amendment.

This is not about taking money out of the medical care budget. This is about taking money, $4 million, that is for medical care litigation. That is when the Veterans Administration has an opportunity to go out and get money that is owed to them, then they go to court and litigate.

Now what better expenditure than to expend that litigation money on fighting the tobacco companies? We have seen Attorneys General from across this country litigate and take the lead, before the Federal Government and this Congress did, to litigate against the tobacco industry; and they won $246 billion to repay Medicaid costs related to tobacco.

Why is this such a good investment to take the tobacco companies to court? Well, I will tell my colleagues why it is a good investment. The gentleman from California (Mr. WAXMAN), who has offered this amendment, had hearings before the Congress. The tobacco companies came before the Congress; and they said their product, under oath, did not addict people. They said their product, under oath, was not addictive, was not harmful to health.

Then we found out when we looked at internal documents that, in fact, they knew the dangers and the death and destruction that this product was causing. We are talking about veterans, many of whom started smoking in the 1950s and the 1960s when there were no warnings on cigarette packages then.

There were days when the veterans used to get free cigarettes from the tobacco companies. I wonder why they gave them free cigarettes? We now know that in the 1950s and the 1960s they were conducting studies. They knew of the addictive propensity of their product, and they knew they were addicting people to their product.

It is time that we make the veterans and the Veterans Administration whole. We should get back what is owed to the veterans, what is owed to the Veterans Administration. That is why this expenditure for litigation makes so much sense. Why do you think the tobacco companies settle for $246 billion? They were cutting their losses.

We have a great opportunity here to make whole expenditures for veterans health care cost. What a great time to do it, at a time we are trying to meet our commitment to our world or to veterans for health care, at a time when consolidation is causing anguish among veterans all across the country.

In Veterans Administration facilities, many of these veterans are there because of health-related costs that they got from smoking tobacco, from smoking cigarettes at a time when tobacco companies told them it was not dangerous, at a time when tobacco companies did not warn them of the dangerous propensities.

That is why we go to court, that is why we have this civil lawsuit, and that is why we are looking to make whole the Veterans Administration and make whole the veterans of this country and others who were victims. We are talking about representing victims in court.

We have a $4 million litigation account where the Veterans Administration takes and says, where can we make whole our expenditures in health care. How can anybody argue that the proper place for the Veterans Administration, too, to be made whole for health care cost than going after big tobacco.

We have been remiss in not going after the tobacco companies earlier. We have let the Attorneys General take the lead on it. We have let State legislatures all over the country take the lead on taking on big tobacco while the Congress has sat back and waited.

What would we do if Jeffrey Wigand had not had the courage to come forward and tell us as a scientist from one of the major tobacco companies that, as a scientist, they were manipulating the nicotine in their products, knowing it was addicting people? That is what this liability is all about.

This is not a partisan issue. A cosponsor of this amendment is the gentleman from Utah (Mr. HANSEN), Republican, cochair of the Tobacco Task Force on Health in the Congress, an outstanding Republican Member of this body. He is a cosponsor of this amendment. So this is not a partisan amendment.

It is not about politics. It is about whether or not the Federal Government is going to move forward and try to find a way to make whole the Veterans Administration, that nearly $4 billion a year that has to be accounted for. In fact, in the 105th Congress, we told the Attorney General and the Secretary of Veterans Affairs in the Transportation Equity Act for the 21st Century that they should take, and I quote again, ''all steps necessary to recover from the tobacco companies amounts corresponding to the losses and the costs which would be incurred by the Department of Veterans Affairs for treatments.'' We told them to go get this money.

Support the Waxman amendment.

Mr. WHITFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we all recognize that it is politically correct to be able to attack the tobacco industry in its totality today. In the spirit of full disclosure, I will have to admit that I do represent a large number of tobacco farmers. But this really has nothing to do about tobacco farmers.

The Waxman amendment, as has been said by many people before I am speaking right now, indicates, and it is true, that under the Waxman amendment, the Department of Justice will be able to take money from the veterans' medical care dollars to finance a speculative lawsuit under the theory of which the Federal Government has never filed one like this before. So that is one reason to oppose this amendment, that it would take veterans medical care dollars to finance the lawsuit.

Now, in September of 1999, the Federal Government filed this lawsuit seeking $25 billion to recover money spent by the Federal military and civilian insurers on smoking-related illnesses. Prior to that, the State attorneys general had filed a lawsuit in which the tobacco companies entered into an agreement to settle for about $246 billion over 25 years.

I would just point out that, in 1999, all of the money that was spent on veterans' medical care in the United States amounted to about $17 billion in 1999. I think it will also be interesting to know that the legal fees alone in the State lawsuits amounted to almost $12 billion. So there was almost as much money paid in legal fees in that lawsuit as there was spent for veterans' medical care in its totality.

Now, another reason that I would oppose the Waxman amendment is the simple fact that Federal and State governments have known for more than 30 years that smoking does create health risks. Yet, with that knowledge, they all permitted the sale of tobacco products and profited nicely from it, indeed enormously from it from the excise tax. Not only did the Federal Government profit from the excise tax for the sale of tobacco products, but the Federal Government gave cigarettes to its young men and women serving in the military around the world.

So how can now the Federal Government tell tobacco companies that they may lawfully sell a product that the Federal Government knew would cause injury and then turn around and sue the companies for causing the injury that they knew would be occurring. That is another reason that I would oppose the Waxman amendment.

Then a fourth reason I would simply say this, that the Justice Department's complaint is only the most recent, and I am sure it will not be the last effort to use litigation to bludgeon private firms in order to accomplish a prohibition that government could not win in the Congress. So since they cannot win in the Congress, they go to the courts under novel theories of law to collect on something that the Federal Government already knew was harmful and, furthermore, gave it to men and women serving in the military around the world.

So those are four of the reasons that I would ask the Members to oppose the Waxman amendment.

Ms. SCHAKOWSKY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we often are on this floor wringing our hands about why the public treats us so contemptuously and thinks so little of us all too often when we know we are here to do the people's work. But every once in a while, a bill comes along that reinforces that low esteem that the American public has for us, and this is one of them. The fact that there is an effort right now, an organized effort to protect the tobacco

industry from the lawsuits. That is why I am here to strongly support the amendment of the gentleman from California (Mr. WAXMAN) and others to get rid of this rider.

Now, I have heard the arguments, oh, well the Justice Department can use its own money, or the Justice Department can get it from another fund. But there are all these other efforts going on at the same time which everybody knows about that would prevent any money, even a single dollar going.

We have got riders coming up in the Commerce Justice bill. There are riders all over the place that are trying to thwart these lawsuits against the tobacco industry. It would be more credible if it were not for the fact that the veterans are all for these lawsuits going forward, including the American Legion. Four of them have endorsed the Waxman amendment. The Veterans of Foreign Wars, AmVets, Paralyzed Veterans of America, Disabled American Veterans have explicitly endorsed this amendment that would allow these lawsuits to go forward and this small amount of money, relatively small amount of money from a litigation fund to go after the tobacco companies.

Why should we not? Tobacco-related illnesses cost the Federal taxpayers approximately $25 billion a year, excluding the Federal share of Medicaid, excluding the Federal share of Medicaid.

The Medicare program pays $20.5 billion annually to treat tobacco-related illness. The Department of Defense pays $1.6 billion. Indian Health Services pays $300 million. The Veterans Administration pays $4 billion, not $4 million, $4 billion a year to treat tobacco-related illnesses.

So why not take a portion of that overall fund, not the fund directly going to services, but the litigation fund to try and get some of that money back?

I will tell my colleagues, I think that the American people understand that tobacco is costing them, it is costing them and their families and their lives, and it is costing their taxpayer dollars. These thinly veiled efforts to protect the tobacco industry are not going to be viewed very well by the American people. We should all stand up together, Republicans and Democrats, because I agree this is not and should not be a partisan issue. We should stand up together and support this amendment.

Mr. DOGGETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the provision that this amendment seeks to strike reeks of tobacco, it reeks of special interest, and it reeks of injustice. I think that this rider, and of course there has been considerable competition through the years, but it is truly the most disgusting that I have seen since this same crowd came to this same House and snuck into a bill for small business tax relief, $50 billion in a tax credit for the same tobacco industry, so disgusting that once it was exposed, they had to back off and remove the provision.

□ 1815

Indeed, that action is one of the only bits of action that this House of Representatives has taken during the last 6 years to deal with that plague of nicotine addiction that kills thousands every day in this country.

To those who say turn to the legislative branch instead of the judicial, Americans can look at what has happened in the last 6 years and rightly say that the tobacco industry has a stranglehold on this House. Sometimes we can prevent it from doing more wrong, but we have been totally unable to overcome the tremendous strength of the tobacco industry over the current leadership of this House to do anything affirmatively for the 3,000 children that every day will become addicted to tobacco.

Supporters of this provision have the audacity to say we will not do anything about the children and their suffering from tobacco, and the fact that so many will eventually die from emphysema and lung cancer and heart disease, but we can find it in our schedule and in our hearts to provide more special interest treatment for this same industry. The friends of tobacco have the audacity to stand on this floor this evening and tell the American people that they are not terminating this lawsuit, they are just cutting off the funds necessary to its success.

Let me ask my colleagues if they think Phillip Morris and RJR, and all the other big tobacco companies, are going to spare any funds when they are dealing with any thick-carpet lawyer in the country who will take their dirty money to defend them in this case. No, they are going to have an open checkbook. They are going to spend whatever it takes to obstruct the justice that this case deserves.

I stood next to Janet Reno earlier in the day, with the gentleman from California (Mr. WAXMAN) and leaders of our veterans' organizations, and heard her say in no unqualified terms that the effect of a vote against this amendment is a vote to dismiss the well-justified claims of American taxpayers against the tobacco industry. The provision that we are voting on tonight is testament to the weakness of big tobacco's legal case. They are seeking a motion to dismiss not in a court of law, relying on the justice system; no, they have come here to the Congress, a Congress that they have worked over pretty well through the years, particularly in election years. And they have asked the Congress to grant the motion to dismiss. This is just the latest underhanded maneuver in which they have engaged.

What is at stake here is a rather clear choice. It is a choice between defending our veterans who have defended us or defending the continued wrongs of the tobacco industry. I believe we ought to stand with the veterans. They were there today with Attorney General Reno also, one veteran group after another, the Paralyzed Veterans, the Disabled American Veterans, the Veterans of Foreign Wars, the AMVETS, speaking out and asking us to defend interests, as they were willing to defend our country, by supporting the Waxman amendment. We owe them nothing less.

And, of course, this is not the first time that big tobacco has trampled our veterans, just as they have trampled on our children. In each of the last two years I have advanced legislation in this Congress to give our veterans their fair claim against Saddam Hussein and his Iraqi assets that have been frozen for a decade. But big tobacco said, no, we want to go first. We want to get reimbursed for all the cigarettes we sold the Iraqis before our veterans get reimbursed on their just claims. It is that same kind of greedy attitude that they bring tonight to this House, saying that they deserve immunity, which is what they would effectively gain if the Waxman amendment is defeated—immunity to continue committing the same wrongs they have been engaging in previously.

The American people have a much greater understanding of the wrongs done by the tobacco industry than this Congress has demonstrated over the last 6 years. 430,000 people every year will die as a result of tobacco, thousands will require care in hospitals and hospices. We ought to be able to remove at least some of the tremendous cost of the care incurred for the American taxpayer and for the American veteran.

Mrs. CAPPS. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the Waxman amendment.

I do this as a public health nurse, for I have seen firsthand the serious consequences of smoking-related illnesses, and I am appalled at the behavior of the tobacco firms. This is a time when accountability is called for.

We speak here today on behalf of our constituents. And I am speaking on behalf of the veterans I represent. I know their national leaders were here today testifying to the Justice Department, but they have spoken to me directly and to many of us across this country, as they are bearing the price for what has happened throughout the decades as a result of their exposure and addiction to tobacco in the call of their military duty. We need to speak for them.

I speak also for other citizens in my district, citizens who are aware and are aroused by the injustices that have been done. I think of a particular physician in San Luis Obispo, Dr. Steve Hanson, tireless in his work on tobacco-use prevention among young people in our community but also on the need for treatment to be available, working through the American Medical Association and the San Luis Obispo Medical Society, an articulate voice on

behalf of the justice that needs to be done in this case.

This amendment will allow for the continuation of litigation to recover tobacco-related health costs that have burdened the American taxpayer for many years. The cigarettes that were put into GI rations and unwittingly caused addictions are now being borne out in the health and illness situations of so many of our seniors who are veterans and who are paying terrific consequences with their lives, suffering from emphysema, heart disease, and cancer as they are aging. These individuals need and cry out for a response that needs to be stimulated and encouraged in this body.

Janet Reno has stated that if this rider to the VA–HUD appropriation passes, the Department of Justice would have no ability to continue in their crucial litigation on behalf of veterans. This amendment protects veterans. Under the Medical Care Recovery Act, any recovery of these tobacco costs would go directly to the VA and defense health programs.

As Members consider their votes, I urge them to remember that the tobacco companies concealed what they knew about the damaging health effects of smoking for decades. During those same decades, the consequences of smoking were played out in the lives of citizens across this country, and veterans' lives as well; and the cost has been borne by everyone. No other industry is close to matching the cigarette companies' record of misconduct and harm to the public interest.

If Congress intervenes in the judicial with this VA–HUD rider, the tobacco industry will receive unprecedented and unwarranted protection that will never be available to other more responsible companies. So Congress must hold Big Tobacco accountable, and I encourage my colleagues to vote ''yes'' on the Waxman amendment.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GOODLING asked and was given permission to revise and extend his remarks.)

Mr. GOODLING. Mr. Chairman, I did not plan to speak on this amendment, but I was listening to the discussion back in my office and I thought, how silly do we think the American people are.

I think it was 62 years ago, I am 72 at the present time, when my mother and father said, There will be no use of tobacco in this house; it is addictive and it is injurious to your health. That was 62 years ago, and here we stand and we say, boy, people lied to us and we did not know it. Now, my colleagues know that that is nonsense. We have known it for a long, long, long, time.

But I am also surprised when we stand down here and we talk about the cost of tobacco. There is not anyone, probably in this House, who is a leading campaigner against the use of tobacco. One of our young Congressmen when I first came here, a diabetic, a chain smoker, I tried and tried and tried my best to help him break the habit, but he could not and he died very young.

I am amazed when we talk about the cost, when no one talks about alcohol. My attorney general came to me and said, we have to have this money; we have to have this money, boy, the cost to Medicaid and Medicare. And I said, wait a minute, the cost to Medicaid and Medicare, the cost to veterans health? Talk about alcohol. It is only about 10, 12, 15, 20 times as great in relationship to the cost, but it goes way beyond that. Abusive in the home, physical abuse, mental abuse, and on and on the list goes. And yet somehow or other we do not take that on because, I suppose, it is socially acceptable; and so we talk about tobacco.

Then someone indicated that, well, tobacco has their hands on the Congress. Well, tobacco may have their hands on some individuals in the Congress, as it does on individuals all over the country, but it has nothing to do with one's ability to think clearly about the issue. So, again, I just do not understand what it is we are trying to do in relationship to this amendment other than try to confuse the public that somehow or other there are few in this Congress who really are fighting this issue and that we did not know it was addictive and we did not know that it caused health problems, when, of course, we have known that for 50, 60, 70, 80 years.

In the last 20 or 30, as a matter of fact, signs have been everywhere, and put there by the Government, indicating that it is injurious to our health and that it is addictive.

So I think we ought to switch. If we want to move money, move it, but then give a good reason for doing it. But, for goodness sakes, we should not try to make the public think that we know more than they, and that they do not know already that it is an addictive issue and it is also a health problem.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Waxman-Hansen-Evans-Meehan amendment. This amendment will remove the rider in this bill that prohibits the Department of Veterans Affairs from aiding the Justice Department in its suit against Big Tobacco.

And in response to my friend, the gentleman from Pennsylvania, I would say that tobacco is addictive. It has been proven to be addictive. And alcohol has caused all sorts of problems in this country, there is all sorts of abuse of alcohol; but it is not addictive in the same way.

No industry, no industry deserves a special exemption from Federal liability, and without help from the VA, the Justice Department will have to drop its suit against the big tobacco companies. We should not be legislating special protections for an industry that has lied to the Congress and deceived the American people.

The VA spends more than $4 billion annually treating tobacco-related illnesses. If the Justice Department's suit is successful, and I believe that it will be, the VA will recover billions of dollars spent on health care for veterans. If this amendment fails, then the bill will prevent the VA from obtaining billions of dollars to help veterans who suffer from tobacco-related illnesses.

Why should we not help those veterans? They need our help, and we ought to stand with them. We should not be trying to bail out Big Tobacco.

This amendment does not take $1 away from veterans' health care. It uses money in the VA's administrative and legal expenses account to help fund the suit against Big Tobacco. Yet the tobacco companies are spending enormous amounts of money and working hard to convince Members that the Waxman amendment takes away from veterans' health care. That is absolutely false.

In 1998, we passed a highway bill here in this House that became law. And in that legislation is language that urges the Attorney General and the Secretary of the VA to sue the tobacco companies so that money could be recovered to go to veterans' health care. And what we see in this bill today is a provision that would nullify what we did in 1998. It would prevent that money from being used, the litigation money, from being used to recover money for our veterans.

Since when, Mr. Chairman, have the tobacco companies cared about the health of the American people? They make a product, which used as directed, kills people. Their future prosperity depends on enticing young people to take up smoking. They swore they were not doing that just a few years ago, and we have found since that it was not true.

The tobacco companies want relief from a legitimate lawsuit at the expense of our veterans. A vote for this amendment is a vote for veterans' health care and against the unlimited greed of the tobacco industry. Vote ''yes'' on the Waxman amendment.

Ms. STABENOW. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am very proud today to stand as one of the sponsors of this amendment. I want to thank my colleagues, the gentleman from California (Mr. WAXMAN), the gentleman from Illinois (Mr. EVANS), the gentleman from Utah (Mr. HANSEN), and the gentleman from Massachusetts (Mr. MEEHAN), for their leadership on this issue.

I stood on the floor a year ago asking that we fully fund veterans health care through the independent budget. We were not successful at that time, although there was a lot of discussion about the importance of veterans' health care. We have yet to fully fund at the level that has been put forward by the veterans' organizations to fully fund veterans' health care.

This amendment is supported by the Veterans for Foreign Wars, the Paralyzed Veterans of America, the Disabled American Veterans, and AMVETS. This amendment is about keeping our word. Very simple. It is very simple. As my colleagues have said, in 1998, in the transportation bill, we said that dollars would be removed for service-related tobacco illnesses. Rather than moving ahead at that time, in fact, we called on the VA, in the budget bill, to take all steps necessary to recover from the tobacco companies.

□ 1830

So this was 2 years ago we passed a bill that says all steps necessary to recover from the tobacco companies. Two years later, we are here with a bill that says they cannot sue the tobacco companies.

What happened in the last 2 years? What happened is a sleight of hand and an unwillingness to keep commitments that were made to our veterans just 2 years ago. And I am deeply concerned about that. We told them that they had to be part of the tobacco suit to recover costs so that they could treat tobacco-related illnesses. Now we are saying they cannot do that. It does not make any sense.

We know that the VA spends $4 billion annually on treating tobacco-related illnesses, the Defense Department spends $1.6 billion. If we allow them to continue to be a part of the suit, under the Medical Care Recovery Act, any recovery of costs will be returned back to them so that our veterans can be cared for. And this is tens of billions of dollars.

In addition to that, there are implications for the Medicare Trust Fund that are very important. Medicare spends $20.5 billion a year on tobacco-related illnesses for our older Americans, seniors, disabled. Under the suit, the Medicare Secondary Payor Provisions, any recovery of these costs would go right back to Medicare; and if the lawsuit is funded and successful, these dollars could add years to the solvency of the Medicare Trust Fund, continue health care for older Americans and the disabled for years into the future, and, most importantly, allow us to fund a prescription drug benefit.

I have been deeply involved in this issue. For the last year, I have had a hotline set up in the State of Michigan asking people to share their stories of situations where they are struggling to pay the costs of prescription drugs. I have been deluged with letters and phone calls, people sitting down every night at the table, do I get my food? do I pay my electric bill? or do I get my medications?

If we allow this lawsuit to go forward, we can do something about that. If we allow these funds to be transferred to support this effort, we can hold an industry accountable that needs to be held accountable and we can make sure that our veterans have the commitment kept to them that we made 2 years ago to support their efforts to increase dollars available for veterans' health care as a part of this lawsuit.

It is time to stop protecting the tobacco companies in this House of Representatives, and it is time to start keeping our word to our veterans.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Waxman amendment. The legislation that we are considering right now that the gentleman in California (Mr. WAXMAN) and others seek to amend should have, in fact, some help from the Government Printing Office so that the package around this legislation has a warning label that states, ''Warning: this legislation may be hazardous to your health and the health of every American who has a family member who smokes.''

Part of me, Mr. Chairman, cannot believe that we are actually on the floor engaged in a debate about whether or not the tobacco companies should be granted immunity against Federal lawsuits. And then part of me realizes that I should not be surprised at all.

Two years ago, the tobacco companies came before the Committee on Commerce and swore that the proposed settlement worked out with the State did not contain immunity for their industry. The CEOs claimed that they wanted to work with us, that it was the dawn of a new era. And yet, at the same time, they hired a public relations firm to develop a cynical $20 million ad campaign to, quote, create the basis for an exit strategy, ideally, that the industry made a legitimate offer and that the politicians played politics and made a mess out of it.

Well, their cynical ploy worked. Congress killed comprehensive tobacco legislation after the industry poured millions of dollars into the Republican campaign coffers. Well, Mr. Chairman, they get what they pay for. No comprehensive tobacco legislation. And now let us stop the Justice Department from suing to get back some money for the American taxpayers.

Under the underlying bill that we are debating today, a rider stuck to it will de-fund the tobacco litigation that the Department of Justice has initiated on behalf of the Departments of Veterans Affairs and Defense and Health and Human Services. In fact, the language in this bill states, in the most direct terms, that no money budgeted for litigation support may be used for the purposes of supporting litigation against tobacco companies.

This is outrageous, Mr. Chairman. The Federal Government spends $20 billion annually on Medicare related to tobacco-induced illness costs. The same thing is true for the VA. The same thing is true for Indian services. All the way down the line.

Now, what a message that this bill sends. It says, no day in court for our seniors who rely on Medicare, no day in court for our veterans, no day in court for our men and women in uniform, no day in court for Native Americans, no day in court for the millions upon millions of Americans ravaged by tobacco-related illnesses.

It is bad enough that the 1997 balanced budget amendment cut so much money out of Medicare, but it compounds the crime immeasurably to then say that the Federal Government cannot sue to collect money from the tobacco industry that can be used for the health care of these ordinary Americans.

Four hundred, thirty thousand Americans die each year from tobacco-related deaths. Four hundred, thirty thousand Americans die each year. One in five deaths in the United States are related to tobacco-related illnesses. Three thousand kids every single day in the United States take up smoking. Three thousand a day. One thousand of them are going to die from a tobacco-related illness.

The veterans who 30 and 40 and 50 years ago were given packs of cigarettes, they were given, basically, a one-in-three chance of dying from the addiction that would be caused by that free pack of cigarettes which was handed to them. We owe these veterans and we owe all who have suffered from tobacco-related illnesses the right to be able to go to court, the right to be able to say to those who were the primary cause of illness in our society that they must pay those families and the Federal Government for what they have done.

We are at the dawn of a new century. One in three babies born in the United States today has a chance of living to the age of 100. We, we who hold out so much promise for this country, have it within our power to do something to ensure that there is, without question, the strongest possible disincentive created for the tobacco industry doing in the 21st century what it did in the 20th century to the health of our veterans.

PREFERENTIAL MOTION OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALSH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 138, noes 243, not voting 53, as follows:

[Roll No. 292]

AYES—138

Ackerman	Berman	Brown (OH)
Allen	Berry	Capps
Andrews	Blagojevich	Capuano
Baca	Blumenauer	Cardin
Baird	Bonior	Carson
Baldacci	Borski	Clayton
Baldwin	Boucher	Conyers
Barcia	Boyd	Coyne
Becerra	Brady (PA)	Cramer

Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
Delahunt
DeLauro
Deutsch
Dicks
Dixon
Doggett
Dooley
Doyle
Edwards
Eshoo
Farr
Filner
Ford
Frank (MA)
Gejdenson
Gonzalez
Green (TX)
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hoyer
Jackson (IL)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Lewis (GA)
Lipinski
Lowey
Lucas (KY)
Luther
Maloney (CT)
Markey
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Millender-McDonald
Miller, George
Moakley
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Pallone
Pascrell
Pastor
Pickett
Pomeroy
Rangel
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Sherman
Skelton
Slaughter
Snyder
Spratt
Stabenow
Stark
Strickland
Tauscher
Taylor (MS)
Thurman
Tierney
Towns
Udall (CO)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Woolsey
Wu
Wynn

NOES—243

Abercrombie
Aderholt
Archer
Armey
Baker
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berkley
Biggert
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clement
Clyburn
Coble
Collins
Combest
Condit
Costello
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeFazio
DeGette
DeMint
Diaz-Balart
Dickey
Dingell
Doolittle
Dreier
Duncan
Ehlers
English
Etheridge
Evans
Everett
Foley
Forbes
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Gutierrez
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson-Lee (TX)
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kelly
Kind (WI)
King (NY)
Kleczka
Knollenberg
Kolbe
Kuykendall
LaHood
Latham
LaTourette
Levin
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCarthy (NY)
McCrery
McHugh
McInnis
McKeon
Menendez
Metcalf
Mica
Miller (FL)
Miller, Gary
Minge
Mink
Mollohan
Moore
Moran (KS)
Morella
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Ose
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Porter
Portman
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Stearns
Stenholm
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Tiahrt
Toomey
Traficant
Turner
Udall (NM)
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)

NOT VOTING—53

Bachus
Bilbray
Brown (FL)
Burton
Campbell
Cannon
Coburn
Cook
Cooksey
DeLay
Dunn
Ehrlich
Emerson
Engel
Ewing
Fattah
Fletcher
Fossella
Fowler
Gephardt
Gilman
Granger
Green (WI)
Greenwood
Hayes
Hooley
Hunter
Jenkins
Kasich
Kingston
Klink
Largent
Lazio
Leach
Lofgren
Maloney (NY)
Martinez
McCollum
McIntosh
Meeks (NY)
Murtha
Myrick
Owens
Oxley
Payne
Pelosi
Quinn
Rogan
Rothman
Roybal-Allard
Shays
Shuster
Vento

□ 1859

Messrs. SHOWS, LAHOOD, MCINNIS and BENTSEN changed their vote from ''aye'' to ''no.''

So the motion was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. HAYES. Mr. Chairman, I was unavoidably absent from the vote earlier this evening. Had I been here, I would have voted against the motion to rise—rollcall vote 292.

Mr. GREEN of Texas. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks.)

□ 1900

Mr. GREEN of Texas. Mr. Chairman, I rise in strong support of the Waxman-Hansen-Meehan amendment. Tobacco use is responsible for 430,000 premature deaths each year. Smoking kills by causing chronic lung disease, coronary heart disease and stroke, as well as cancer of the lungs, larynx, esophagus, mouth and bladder.

Tobacco use is the leading cause of premature death in the United States, Mr. Chairman. It causes one out of every five deaths. In fact, tobacco use causes twice the number of deaths caused by AIDS, alcohol, motor vehicles, homicide, drugs, and suicide combined. Tobacco causes twice the number of deaths of all of those diseases and accidents combined. If current trends continue, an estimated 25 million Americans who are alive today will die prematurely from smoke-related illnesses, including an estimated 5 million children.

Tobacco-related illnesses cost the Federal taxpayer approximately $25 billion a year, excluding the Federal share of Medicaid.

To have a provision that prohibits the Veterans Administration from transferring funds to the Justice Department to support litigation against the tobacco companies is wrong, and I would hope this Congress would be able to stand up and say, no, we want to be able to have some repayment for the diseases and illness that our veterans have been afflicted by.

The Medicare program pays approximately $20.5 billion annually to treat tobacco-related illnesses; the Veterans Administration pays in excess of $1 billion per year. The Department of Defense pays $1.6 billion per year. The Indian Health Services pays $300 million a year. In addition, tobacco-related health costs the Medicaid program nearly $17 billion a year, of which Federal taxpayers pay nearly $10 billion. Overall public and private payments for tobacco-related care totaled nearly $90 billion in 1997.

Mr. Chairman, to remove VA appropriations for the tobacco litigation hurts our veterans. It is our duty to provide as many dollars as possible for our vets, especially since our government encouraged tobacco use and tobacco addiction by our young service personnel, not only during World War II but during the Korean War.

Mr. Chairman, I am reading a book now about the Chosin Reservoirs and the heroes of that Korean War, particularly the Chosin Reservoir, and instance after instance, when the temperature, was well below zero, oftentimes the only thing they had were cigarettes. Those cigarettes were provided by our government.

Those Korean War veterans are up in years. We should be able to provide for them to be treated in our VA hospitals, and, again, not just by the dollars we appropriate, but by the dollars that we can generate from litigation because of their addiction and the diseases that they have because of that.

Again, this amendment is supported by the Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans, and AMVETS; and I think, Mr. Chairman, particularly this year, less than 2 weeks ago, we talked about it at our Memorial Day services all over the country, in recognizing our veterans' contribution that in this year, particularly, since we are recognizing Korean War veterans that the Waxman-Hansen-Meehan amendment should be adopted, and we should remove this provision.

I would hope that no matter what appropriations bill we come to, that we would not tie the hands of the Justice Department to say, no, we need to have tobacco-related lawsuits. Again, it is not our decision it, is up to the judges or the juries ultimately; but it would allow for us to recoup that money to be able to again treat more veterans for hopefully other illnesses that are not

tobacco related and thereby provide it back to the veterans' program next year and the year after.

The CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mr. LAHOOD) assumed the Chair.

□

ENROLLED BILLS SIGNED

The SPEAKER pro tempore. The Chair lays before the House the following enrolled joint resolution and Senate bills.

H.J. Res. 101. Joint resolution recognizing the 225th birthday of the United States Army.

S. 761. An act to facilitate the use of electronic records and signatures in interstate or foreign commerce.

S. 2722. An act to authorize the award of the Medal of Honor to Ed W. Freeman, James K. Okubo, and Andrew J. Smith.

The SPEAKER pro tempore. The Committee will resume its sitting.

□

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2001

The Committee resumed its sitting.

Mr. MORAN of Virginia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, decades of deceit by the tobacco industry has caused Federal taxpayers to spend billions for smoking-related illnesses.

The Justice Department is seeking recovery of these funds, as well as injunctive relief to stop the companies from marketing to children and engaging in other deceptive and illegal practices. They need to be able to have the resources for that suit. Now, the beneficiaries of that suit would be the Departments of Health, Education and Welfare, or the Health Care Financing Administration, who has spent so much money on Medicare and Medicaid reimbursement for tobacco-related illnesses, and the Veterans Administration, because so many thousands of veterans have suffered and died from tobacco-related illnesses.

This amendment would say that the Veterans Administration cannot move this money to the Justice Department to prosecute these cases. The idea, the reason, the motivation is so that this suit cannot go forward.

The Veterans Administration spends $4 billion a year treating tobacco-related illnesses. We passed a law, the Medical Care Recovery Act, that says that any costs recovered by the Justice Department would be returned to the Veterans Administration. They desperately need that money. Why would we not seek that money from what is the source, the cause of much of that suffering and death?

This rider is wrong. It should not have been attached to this bill. For decades, tobacco companies have deliberately misled Americans regarding the risks and the harmful effects of smoking while 400,000 people have died each year from tobacco-related illnesses.

As recently as 1998, within the last 2 years, the chairman of Phillip Morris testified under oath and said, I am unclear in my own mind as to whether anybody dies from cigarette smoking-related illnesses. That man is an intelligent, otherwise responsible man, so he must have been deliberately trying to deceive the court and the American people.

In my mind, there can be no other conclusion. That is not tolerable. If this Congress is not willing to reimburse the Veterans Administration for the costs of this deception, then we should do it for the 3,000 teenagers who start smoking every day, at least for the 1,000 who will die because they did.

This amendment should be supported. It is the right thing to do.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think there is no better term for this rider of which the Waxman amendment addresses than the smoke and mirrors rider, the misrepresentation rider, the distortion rider. The legislation to prohibit a legitimate litigative approach to redeeming billions and billions of dollars or at least millions and millions of dollars that have been utilized by this government in its various medical care accounts to treat tobacco-related illnesses.

It is long overdue. Now, one might read this particular rider as an amendment that is on a white horse, a good amendment, a good rider, because it seems to suggest that the bad guys are trying to take minimally $4 million out of VA, and that money would impact or take away from caring for the veterans of this Nation. That is why it is the smoke and mirrors rider, and that this amendment to strike of the gentleman from California (Mr. WAXMAN) clarifies and tells the truth.

□ 1915

In actuality, this amendment is taking or striking monies that the administration had already designated in a VA litigation account, separate and apart from any dollars dealing with the medical needs of our veterans, and this amendment specifically states that there would be no provision that would take the $4 million out of any of the accounts that would deal with VA health care. Plain and simple.

What this rider does not say is that its basic initiative is to be hand and glove with the tobacco industry. Its basic premise is to ensure that this government does not rightly have the opportunity to engage in legitimate litigation in the courts of law to redeem the funds that have been paid, hundreds of billions of dollars, as we have paid in Medicare, Medicaid and VA health needs, because people have been injured and have been ill and even died from tobacco-related injuries or illnesses.

It is interesting to note that this is $4 million which we talk about, but yet we find the Department of Veterans Affairs and the Department of Defense have spent $4 billion and $1.6 billion respectively per year treating tobacco-related illnesses.

Now, Mr. Chairman, you would think that that dwarfs this simple process which the administration has designed to rightly have the Department of Justice secure from HHS, Health and Human Services, the Department of Veterans Affairs and other agencies that would rightly benefit from the refund of dollars gained by prevailing litigation that says we have been wrongly required to pay for these needs of these particular citizens who have fallen ill, and, now, after determining the untruthfulness of the executives of the tobacco company who represented that tobacco was not addictive and then were found out and who have, in certain instances, settled these cases and, in other instances, lost in courts of law in various States, such as the settlement we have and the litigation in the State of Florida.

How can we then deny the opportunity for this amendment to prevail in order to allow this litigation to go forward? Do we know what else is damaging and happening? Do we realize that 430,000 of our citizens die prematurely because of tobacco use? Do we realize the number of children, about 5 million children, that smoke in the United States, and each day another 3,000 become regular smokers, and, of these children, one-third will eventually die from tobacco-related causes?

Mr. Chairman, it is high time now to get rid of these kinds of false debates on the floor of the House and the smoke and mirror riders that are put on legislative bills and appropriation bills that are passing through this House. We have seen many of them undermine the intent and purpose of good will.

We need the dollars to pursue this litigation. We need to recoup the enormous dollars we have lost in treating these terribly ill people and those that have died and lost their battle with cancer and other illnesses, and we need to stop this misrepresentation of plucking dollars out of the VA-HUD under the pretense that we are denying veterans health care. What we are actually doing is lifting up their health care opportunities.

This is a bad rider. This is a good amendment, and I support the Waxman amendment. Let us eliminate this bad language.

Mr. Chairman. I rise to speak out against this most recent attempt to undermine the ability of the Department of Justice to recover the potentially hundreds of billions of dollars paid by American taxpayers to treat tobacco-illnesses.

Evidently, contained within H.R. 4635 are legislative provisions that would block the continuance of current federal tobacco litigation.