celebrating the lives of these faithful men, indeed, men for whom the world is not worthy.

□ 1015

VOICING SUPPORT FOR AIR STRIKES AGAINST TERRORISTS

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

Mr. RYUN of Kansas. Mr. Speaker, I rise today to add my voice to the chorus of support for President Bush's air strikes against those who are harboring terrorists in Afghanistan. Over the past month, the President has shown amazing leadership and moral fortitude in directing our Nation through this time of crisis. He has also shown extreme patience by gathering the necessary information and carefully setting up the framework and the foundation before launching strikes.

We have planned carefully and acted decisively. I think of the famous adage, ''Beware the fury of a patient man.''

Like President Bush, we must also exercise patience. We are in a new kind of war, both in scope and timing. We must be prepared to make sacrifices for the long haul if we hope to win the greater war on terrorism. We must be confident that action is being taken, even if we do not see it on TV. Our patience for this effort is vital. I am absolutely confident that in the end we will succeed.

THIS GENERATION'S DESTINY

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

Mr. GUTKNECHT. Mr. Speaker, freedom is not free. We are born knowing that sooner or later one day we will be called upon to fulfill our part in America's destiny. On September 11, this generation received our challenge. Throughout our Nation's history, every generation has had to ante up. Our time is now. As William Jennings Bryan said, ''Destiny is not a matter of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved.''

We must, and we will, achieve this victory for the people of the United States and for all civilized, peace-loving people around the world. The blood and treasure of our Nation will be invested. The leadership, resources and unwavering courage of the United States are critical in this struggle. We will rise to the challenge. And, in the end, we will leave to future generations a safer planet.

Let us remember those brave Americans in our Armed Forces. They take their places now in the long gray line that has never failed us. May God bless them and give them the courage to achieve a great victory and establish a lasting peace.

AMERICA WILL PREVAIL IN BATTLE AGAINST EVIL

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

Mr. KINGSTON. Mr. Speaker, America will never get used to terrorism. America will never tolerate terrorism. And neither should the world. That is why the United States of America on this Sunday made a very critical decision and action in striking out against the Taliban for harboring terrorists. This war is not the West versus Islam as suggested by Osama bin Laden. Rather, it is one of good versus evil and the West versus Osama bin Laden and his small, fanatical band of followers. It is a battle of good against evil because only evil would attack innocent people in their workplace. Yet in this job in front of us that we did not ask for, we will, in the words of the President, prevail. We will not tire, we will not falter, and we will not fail.

America is going to make the world safe again, along with all of our very many international allies. I salute the Armed Services, the President of the United States and all those who are in authority. May God bless America.

RECESS

The SPEAKER pro tempore (Mr. GIBBONS). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 18 minutes a.m.), the House stood in recess subject to the call of the Chair.

□ 1055

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. GIBBONS) at 10 o'clock and 55 minutes a.m.

INTERNET EQUITY AND EDUCATION ACT OF 2001

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 256 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 256

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 1992) to amend the Higher Education Act of 1965 to expand the opportunities for higher education via telecommunications. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Education and the Workforce now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce; (2) the further amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Mink of Hawaii or her designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 256 is a modified, closed rule providing for 1 hour of debate on H.R. 1992, the Internet Equity and Education Act. The 1 hour of debate time will be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. The rule provides that the amendment recommended by the Committee on Education and the Workforce now printed in the bill shall be considered as adopted and all points of order against consideration of the bill are waived also.

House Resolution 256 provides for consideration of an amendment in the nature of a substitute printed in the Committee on Rules report accompanying the resolution, if offered by the gentlewoman from Hawaii (Mrs. MINK) or her designee, which shall be considered as read, and shall be separately debatable for 1 hour, equally divided and controlled by the proponent and an opponent. House Resolution 256 waives all points of order against the amendment in the nature of a substitute and provides for one motion to recommit, with or without instructions.

Mr. Speaker, the underlying legislation, H.R. 1992, which has been sponsored by the gentleman from Georgia (Mr. ISAKSON) is designed to expand Internet-based learning opportunities and higher education across the United States by allowing greater and more effective use of the Internet as an educational tool. As both students and busy professionals turn to computers to assist them in advancing their educational goals, it is becoming critically important for the Federal Government to lend a helping hand.

□ 1100

Passage of H.R. 1992 does just that. This bill is the first step in removing restrictions to furthering the educational endeavors of our citizens by the Internet.

I applaud the work of the gentleman from Georgia (Mr. ISAKSON), the gentleman from Ohio (Chairman BOEHNER), and the entire Committee

on Education and the Workforce for bringing this legislation to the floor. I encourage my colleagues to let the House move on to consideration of this important bill by adopting the rule.

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Internet Equity and Education Act may very well be a step in the right direction. It was introduced and passed out of the House Committee on Education and the Workforce on a bipartisan basis.

I salute the original sponsor of this bill, my good friend, the gentleman from Georgia (Mr. ISAKSON), who previously served with distinction as chairman of the Georgia Board of Education and obviously has a great deal of experience in educational matters.

Mr. Speaker, it is difficult to calculate how large an impact the Internet will have on every facet of our lives. In particular, the ability of one to educate herself or himself without ever stepping foot on a college campus is undoubtedly one of the most profound, positive changes to be wrought by the proliferation of computers and web-based university instruction.

Congress, as can be our custom sometimes, is a little bit behind the curve when it comes to technological advances and their impact on our society. I am thrilled that we are slowly beginning to understand these impacts and contemplating laws which help to harness the great potential of the Internet.

Members will hear in great detail in the coming hours about the 12-hour rule, we heard it a great deal last night, and Members will hear about the 50 percent rule and other technical changes that this bill makes in order.

I will not go into the details of these changes in this particular presentation. What I would like to point out, Mr. Speaker, is that I am informed today that the House is expecting its last vote around 2 o'clock this afternoon. I say this to point out the fact that there is just no reason why, in my judgment, the Committee on Rules made in order a closed rule for this bill today.

Yesterday evening there were only four Members of the House who came before the Committee on Rules to ask that their amendments be made in order. Of those, the House will be able to contemplate only one amendment under this rule.

I think this in some respects is a bit unfair and in some respects an affront to the Members of the House, who only wish that the House be able to work its will on an issue of such salience.

We heard last night that there was some hesitation in July from the Department of Education as to whether we should be going forward. But let me give the Members just some examples from some of our national education organizations as to how they feel with reference to the 12 and 50 percent rules.

The National Education Association in one paragraph in a letter dated October 9 said, ''The NEA acknowledges and shares the concern of many Members that the 12-hour and 50 percent rules may not allow adequate expansion of distance learning. We do not, however, believe that elimination of these rules is the best way to ensure students a high-quality education and maintain the integrity of the financial aid program. Passage of H.R. 1992 will negatively impact the Federal Government's role in opening college and university doors to economically disadvantaged students who wish to attend college full-time.''

In another paragraph, ''Passing H.R. 1992 in its current form would send a message to college faculty that there is little inherent value in face-to-face instruction, classroom debate, and the social processes involved in learning.'' That was from their Director of Government Relations.

From the Department of Legislation of the American Federation of Teachers, in their third paragraph, I quote in part, ''The 5-year demonstration project is currently in its second year with 25 participants. The information gathered from this demonstration program will be available to inform Congress for the next NEA authorization,'' the education authorization, ''on the most appropriate action on distance education;'' that is, the Higher Education Act.

The American Association of University Professors says, ''I urge you to delay implementation of the initiatives contained within this bill until they can be considered as a part of the overall reauthorization of the Higher Education Act. We need more information on how best to incorporate the promise of new technology into a varied and rigorous educational program.''

Basically what I am saying, Mr. Speaker, what the education associations are saying, is, slow down. This is a difficult process, and we need time for all of us to have input.

Over the past few weeks, this Congress has been working with an unusual degree of bipartisanship. The consideration of this bill could very well have been another example of this. I am, at least as one Member, disappointed that the leadership chose instead to have this closed rule this morning and not allow Members to offer legitimate, substantive, and meaningful amendments.

Mr. Speaker, I am pleased to yield 6 minutes to my good friend, the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Speaker, I thank the gentleman from Florida for yielding time to me, and express my support and gratitude for the words that he has just finished to the House regarding the reservations that many of us have about the passage of H.R. 1992.

Earlier this week this bill was scheduled for the suspension of the rules, where there would not have been any possibility whatsoever of offering any amendments, or to have a floor debate, other than the 20 minutes on each side.

So I am grateful for the subcommittee chair, the gentleman from California (Mr. MCKEON), and others who agreed to pull the bill off of the suspension calendar and to take the matter to the Committee on Rules. So I am pleased that that action was taken last night and the Committee on Rules had an opportunity to hear the opposition to the passage of H.R. 1992.

Regrettably, they issued a modified closed rule, which does not give us the full opportunity to bring out the very important issues which I feel this bill needs to have aired and for all Members to understand.

There are so many things that are crushing through our offices, concerns about the war in Afghanistan and the threats on our liberties in this country, and the other threats of terrorism that are yet to happen in this country, so it is very, very difficult for Members to take this rather small piece of legislation and focus on the importance of it.

Therefore, I am pleased that at least I will have that opportunity to do so during general debate and during the offering of my substitute. Mr. Speaker, I regret that the other Members who had amendments are not going to have that special opportunity.

The reason H.R. 1992 raises all sorts of flags of warning, as has been expressed earlier, in letters written to all Members by the National Education Association and by the American Federation of Teachers and the American Association of University Professors, is that we do not want to eliminate, repeal, those very protections that were enacted into law in 1992 and strengthened in 1998 to safeguard the student financial aid program.

This is not a debate about distance learning, it is not a debate about how important laptop education is in terms of allowing people to participate in the higher education field at home, safe in their own homes, or in their offices.

What this debate is about is whether the Congress is going to live up to its responsibilities to protect the financial integrity of the student loan program. That is all this is about.

Members will recall in the late 1980s and in the 1990s there were these tremendous reports from the education institutions about huge, crescendoing default rates. My own institutions were up at the 23 percent default rates. Many institutions were far higher.

Congress said, this cannot be. We must do something to protect the taxpayers from having to pay out all of these loans that the students were defaulting. So the Congress wisely put into effect three very important rules: One, that the institutions first had to be accredited, and that they could offer only 50 percent of their programs off campus. There should be 50 percent on campus and 50 percent was permitted off campus.

The other rule was that there had to be 12 hours of instructional offerings in

order to be considered a full-time student.

The third was to prevent all those hoaxes that were going on where people were being paid commissions to recruit students to sign up for higher education courses, and this exacerbated the default situation, so the Congress wisely put in rules to protect the integrity of the student financial aid program; not to prevent distance learning or learning through correspondence schools or whatever, but to make sure that if a student signed up for higher education credits, not only that they were full-time students, but also that they had the capacity of being enrolled in an institution whose educational offerings could yield a better job, could yield quality higher education, and thus enable them to pay back the loans.

So we are here today with legislation which will, in essence, repeal those three very important pieces of protective legislation that were added in 1992 and strengthened in 1998.

Mr. Speaker, I ask the House not to vote for this bill in haste, because we are going to take up the higher education reauthorization bill in the next several months. That would be the appropriate time to review this entire matter.

The Inspector General from the U.S. Department of Education testified before our subcommittee against waiving the requirements against the incentive fees that were being paid. She supports the ban, which I do, also, and which my substitute will put back into law.

So also, in 1998, Congress wisely said, well, let us have a demonstration program to see how these things are working. We are only in the 2-year point since that 5-year program was instituted. We only have one single report yet having been issued to the Congress, so this is premature. Let us not act in haste.

Remember our responsibility is to the fiscal integrity of the student financial aid program. This is not a vote against distance learning, we want to encourage it, but let us not do it where we could risk high default rates and cripple our financial aid program.

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. MCKEON), chairman of the Subcommittee on 21st Century Competitiveness.

Mr. MCKEON. Mr. Speaker, I thank the gentleman from Georgia for yielding me the time to speak on this rule.

Mr. Speaker, I rise in strong support of the rule on H.R. 1992, the Internet Equity and Education Act of 2001. This structured rule is needed to maintain the compromise that was reached with this legislation, and as the gentlewoman has just spoken or remarked, it was made to accommodate concerns that were expressed from the other side.

An open rule would allow for amendments for an intricate, detailed, sometimes complicated statute that we will address in the next Congress. Before favorably reporting this bill, the Committee on Education and the Workforce carefully reviewed the provisions within H.R. 1992 and gave thoughtful consideration to the issues surrounding the legislation.

H.R. 1992 has as its mission to open the doors of higher education to those people for which it has been and continues to be closed, and we should thank the gentleman from Georgia (Mr. ISAKSON) for the work that he did on the Web-based Commission in bringing this bill to the floor at this time.

The bill is quite simple in nature, has enjoyed bipartisan support, and was passed out of committee on a vote of 31 to 10, as well as having the support of many in the higher education community, including the American Council on Education. Stan Ikenberry spoke on this issue and encouraged us to move rapidly on this legislation. He represents 1,800 of our higher education schools across the country.

Also, we have support from many others in the higher education community. The National Association of Student Financial Aid Administrators, representing 3,100 schools, has strongly supported this bill. The goals of these and other supporters of H.R. 1992 remains constant, to provide additional access to higher education, as the ACE stated; adapt to the needs and demand of today's diverse student population.

□ 1115

Providing for a structured rule allows Members to consider a bill that had undergone careful analysis by the committee without side-stepping the process that provided for thoughtful negotiation and cooperation.

I urge my colleagues to vote yes on this rule and allow us to move forward in bringing H.R. 1992 to the floor for a vote.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank my good friend from Florida for yielding me the time, and I rise today in support of the rule which allows a substitute amendment.

In particular, this amendment offered by my colleague, the gentlewoman from Hawaii (Mrs. MINK), I think makes the bill into what we want it to be, which would be an encouragement for flexibility in this Internet Age and education.

I would like to speak for just a minute on what the bill is about. Congress established new rules to safeguard Federal financial aid loan programs, and these rules were put into effect because more than one student in five was defaulting on loans within 2 years of leaving school. This was an embarrassment to the Congress, an embarrassment to the country, and a waste of money.

These loan-default rates were much higher at some schools than others. There were cases of an auto repair shop operating out of a fruit stand and so forth and so on.

In particular, the substitute offered by the gentlewoman from Hawaii (Mrs. MINK) would correct two glaring problems with this bill that I think would only perpetuate or take us back to the time of serious misuse of the student loan program.

Simply put, H.R. 1992 eliminates the requirement in law that students enroll for at least 12 hours of time in a course and replaces that with a 1-day rule that would allow students to log on sometime during the week and as a result be declared full-time students; and the schools then would be eligible to collect student aid for those students' tuition. It also changes the regulations that would allow some schools to offer bounties on recruitment of students, some of whom never really intend to be students.

So I think this rule, by allowing a substitute, will allow us to correct the legislation and make it what we really want, something that will ensure flexibility in education today.

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

Mr. LINDER. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Georgia (Mr. ISAKSON).

Mr. ISAKSON. Mr. Speaker, I ask unanimous consent to submit for the RECORD a letter from the Secretary of Education dated July 31, 2001, and a letter from the National Association of Student Financial Aid Administrators dated September 28, 2001.

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

There was no objection.

The letters referred to are as follows:

THE SECRETARY OF EDUCATION,
Washington, DC, July 31, 2001.

Hon. HOWARD ''BUCK'' MCKEON,
Committee on Education and the Workforce, House of Representatives, Washington, DC.

DEAR CONGRESSMAN MCKEON: I am writing to express the views of the Department of Education on H.R. 1992, the Internet Equity and Education Act of 2001, which the Education of the Workforce Committee intends to mark up on August 1. I am sending identical letters to Representatives Boehner, Mink, Miller, and Isakson.

The Administration supports the Isakson substitute to H.R. 1992, which would allow needy students who require federal student aid to have access to the many new educational opportunities now available to other students. H.R. 1992, as modified by the Isakson substitute, would update three provisions of the Higher Education Act of 1965, as amended, (HEA) to accommodate newer educational delivery methods and opportunities and standard business practices. The issues addressed in the bill were raised by the higher education community during the previous administration and, despite repeated urging for the Department to take action, were left unaddressed.

In response to this inaction, the bipartisan Web-based Education Commission, authorized by the Higher Education Amendments of 1998 (P.L. 105–244) and chaired by former Senator Bob Kerrey and Representative Isakson,

recommended ''a full review and, if necessary, a revision of the 12-hour rule, 50 percent rule, and incentive compensation requirements that are creating barriers to students enrolling in online and distance education courses.'' It also called upon Congress and the Department to ''remove barriers that block full learner access to online learning resources, courses, and programs while ensuring accountability of taxpayer dollars.''

As we began putting our new team at the Department in place, I was pleased to see Representative Isakson propose legislation to begin this process and to see you move forward on eliminating these barriers. The Administration has worked with the committee in refining the provisions in the Isakson substitute and joins the higher education community and Members on both sides of the aisle in supporting this legislation.

There may be some who will try to argue that this bill would increase fraud and abuse. Let me assure you that I am not about to open the door for fraud and abuse. Statutory relief from the 50 percent rule would only be extended to low-risk institutions that are currently participating in the Federal student aid programs and have default rates below 10 percent for the last three years.

Moreover, under the Isakson substitute, an institution would be required to notify the Department that it qualifies for the exemption, and the Department would be given the authority to deny the exemption to any institution that poses an unacceptable risk to Federal funds and program integrity. H.R. 1992 would also replace the problematic 12-hour rule, which has been shown to be unworkable for many nontraditional formats, with the same safeguards we have been using for the majority of institutions offering courses in a standard term-based format. However, other safeguards against course length manipulation, such as the 30-week academic year minimum and the clock-hour/credit-hour conversion requirements, would be left in place. As we noted in our recent report on the 12-hour rule, nearly all of the members of the higher education community who participated in the Department's discussions on the subject favored using this uniform standard.

Similarly, the amendments in H.R. 1992 regarding incentive payments contain a new definition of ''salary'' and a new statutory limitation against salary adjustments that are more frequent than every 6 months, which guards against using frequent salary adjustments as de facto commissions. The Isakson substitute would also revise the current provisions to reflect current business practices, including referrals from World Wide Web sites, which did not exist when the provisions were enacted in 1992. However, other safeguards against fraud and abuse would remain in place, such as student eligibility requirements and new requirements for returning Federal aid funds when students drop out. The Administration is aware that there are concerns that the changes H.R. 1992 would make to current law on incentive payments could lead to increased risk of recruiting abuses. We will continue to work with Congress to ensure that this bill includes adequate safeguards to protect students and taxpayers.

Since the day I took office, I have focused on tackling the substantial mismanagement and fraud that cast a cloud over the Department. Working closely with the Inspector General and the U.S. General Accounting Office, we have already made considerable progress in turning that around. Consistent with this new approach, we will closely monitor institutions, enforce the many safeguards that are in place, and aggressively pursue any instances of fraud and abuse in the Federal student aid programs.

The Office of Management and Budget advises that there is no objection to the submission of this report to Congress.

Sincerely,

ROD PAIGE.

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AND ADMINISTRATORS,
Washington, DC, September 28, 2001.

Hon. JOHN BOEHNER,
Chairman, Committee on Education and the Workforce, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the National Association of Student Financial Aid Administrators (NASFAA), representing student financial aid administrators at nearly 3,1000 postsecondary institutions, I am writing to express our organization's strong support for H.R. 1992, the Internet Equity and Education Act of 2001.

We believe this legislation is a reasonable first step in encouraging the delivery of alternative and distance education services to our nation's students. The bill makes necessary changes to encourage the use of federal student aid for those individuals who seek to better their individual or family circumstances by seeking a postsecondary education.

Some who have challenged the need for H.R. 1992 are concerned that the bill may encourage fraud and abuse of the student aid system by postsecondary institutions. NASFAA emphatically rejects that contention. We note that when the restrictions on distance education were placed on postsecondary institutions by the Higher Education Amendments of 1992, they were necessary because the Department of Education did not have adequate internal controls on schools. However, other statutory provisions provided in the Higher Education Amendments of 1992 have allowed the Department of Education to use these monitoring and gatekeeping tools effectively.

The concerns expressed by opponents to H.R. 1992 are not founded on current realities. Since the 1992 Amendments, ED has rooted out problem schools and eliminated over 1,300 from eligibility for Federal grants, loans, and work-study funding. Next, the postsecondary community has substantially increased its self-goverance, accreditation, and internal consumer protection activities and schools have increased their consumer information disclosure efforts. In fact, the legislation contains safeguards that should put to rest any concerns about misuse. For example, the legislation has strict eligibility limits on a school's participation, it gives the Secretary discretionary power to deny a school's participation in the program, and it mandates the Department of Education monitor and issue a report to the Congress on the program. Finally, should any problems arise from the testing of these provisions in the bill, they can be quickly addressed when the Congress reauthorizes the Higher Education Act that expires on September 30, 2003.

The combination of increased oversight and gatekeeping activities by the Department since 1992, of increased internal higher education community self-governance and consumer protection activities, as well as, H.R. 1992's school participation limits and ED oversight and monitoring activities are more than adequate safeguards to allay any concerns over abuse of the changes permitted by the legislation.

Again, NASFAA strongly supports and urges quick House passage of H.R. 1992.

Sincerely,

DALLAS MARTIN,
President.

Mr. ISAKSON. Mr. Speaker, comments have been made by my dear friend, the gentleman from Florida (Mr. HASTINGS), and my dear friend, the gentlewoman from Hawaii (Mrs. MINK), with regard to this legislation that I would like to just clarify for the record.

The letter mentioned before, dated July 31, 2001, is the letter from Secretary Paige to the gentleman from California (Mr. MCKEON), the chairman of the Subcommittee on 21st Century Competitiveness, which endorses House Bill 1992 and all of its provisions as they were written then and substantially remain the same today.

Secondly, there have been some comments that we are moving too fast. First of all, I suspect that Thomas Jefferson was told that when Lewis and Clark were authorized to see if there was anything west of the Mississippi River. I am sure President Kennedy was told that and advised against moving too fast in sending men to the Moon, and I am sure President Bush has been given a lot of information or advice recently about not moving too fast.

History has proven that all those greater leaders, by moving expeditiously in times of opportunity, have moved our country forward. The truth of the matter is we are not moving too fast. We are way behind.

The Web-based Education Committee, funded by this Congress to the tune of $625,000, did a 1-year comprehensive study which I was pleased to be the vice-chairman of while Senator Bob Kerrey was the chairman. We produced a bipartisan report which precisely recommended changes in the 50 percent rule, the 12-hour rule, and the incentive-compensation rule. That was done over a year ago.

The committee, at the request of the gentlewoman from Hawaii (Mrs. MINK), has held hearings. We held a full and open debate in the committee, considered many amendments, and the bill was passed with a bipartisan vote in the committee.

I would submit the time is now, and the most pressing evidence of all that the time is now is the fact that the United States Army, after the completion of our report, created a worldwide digital school system for the post-secondary and advanced education of our men and women in the military and all of their dependents, totally delivered over the Web.

Mr. Speaker, I would submit that this rule is fair. I respect the consideration of this substitute from the gentlewoman from Hawaii (Mrs. MINK), but I urge my fellow Members of Congress to support this rule and in turn to support the bill in its final passage.

Mr. HASTINGS of Florida. Mr. Speaker, I ask unanimous consent to include in the RECORD at the appropriate place the letters earlier mentioned from the National Education Association, the American Federation of Teachers and the American Association of University Professors.

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

There was no objection.

The letters referred to are as follows:

AAUP,
October 5, 2001.

HOUSE OF REPRESENTATIVES.

DEAR REPRESENTATIVE: On behalf of the American Association of University Professors, I am writing to urge you to vote against H.R. 1992, ''The Internet Equity and Education Act of 2001.'' This bill would dismantle some of the minimal quality assurance provisions that maintain the integrity of the instructional programs being offered to students receiving financial aid. It is at the very least premature to make these changes at this time.

Specifically the bill would eliminate the ''50% rule'' and the ''12 hour rule.'' The ''50% rule'' was adopted by Congress in 1992, when the Higher Education Act amendments excluded schools that offer more than half of their courses by correspondence (which includes distance education) and schools in which more than half of the students are enrolled in correspondence courses from eligibility for student financial assistance. During the last reauthorization of the HEA in 1998, the AAUP encouraged the continuation of the ''50% rule'' with respect to distance education courses, to ensure that, as these courses develop, they would continue to be associated with traditional colleges and universities offering campus-based programs. Congress continued the ''50% rule'', but gave the Secretary of Education broad authority to waive the rule for any of the institutions participating in a demonstration program.

The ''12 hour rule'' was the result of a difficult compromise process to carry out the minimum amount of instructional time mandate of the 1992 reauthorization. There is general agreement among educators that twelve hours per week of ''seat time'' is not the only, and not even the best, way to quantify full-time pursuit of higher education. Even aside from new delivery modes offered by new technologies, there are many ways of engaging fully in education that do not involve sitting in a classroom. But as yet, no one has come up with an acceptable way to measure equivalency of effort and accomplishments, across a variety of institutions, disciplines, regions, and educational methodologies.

Proponents of the legislation complain that, under current rules, many non-traditional students who take courses via the World Wide Web receive less aid than those who travel to a campus. If, however, the student is not required to pay full tuition and fees, is not paying for room and board away from a family home, and/or is not travelling to and from a campus, the student's expenses may be lower than those of a full time student. The way the legislation is written, rent and food subsidies should be available to any person who signs up for even a single on-line course, with instruction occurring at least once a week. We need an answer to keep up with the times, but a complete waiver of the ''12 hour rule'' does not provide that answer.

AAUP Recommendations:

1. Accrediting agencies need to do a better, more specific job defining the elements of higher education. What do we mean by a ''college degree?'' How much learning goes into that? How universal are educators' expectations, for level and breadth of course work, across institutional and regional boundaries? Transfers among institutions and transfers among modes of education make these questions inescapable.

2. Faculty need to define measures of course work. What is a ''course''? How much learning is going on when a student is engaged in full time education? What's half of that? What's a quarter of that? Since faculty have not articulated this definition so far, others are filling in with their attempts. The Department of Education's 12-hour rule was one such attempt. Congress is now considering doing away with all measures, except those offered by the lowest common denominator of education providers.

3. The Institution for Higher Education Policy is engaged in a major study of the student credit hour, its uses and effects. By the time the Higher Education Act is due to be re-authorized, this study should yield some thoughtful results. Instead of creating chaos now by simply lifting all limitations, it seems reasonable to allow the study to proceed and to build legislation on its conclusions.

I urge you to delay implementation of the initiatives contained within this bill until they can be considered as a part of the overall reauthorization of the Higher Education Act. To eliminate these rules would remove Congress's only protection against a return to the situation during the late 1980s where a few disreputable institutions abused the federal student aid programs. We need more information on how best to incorporate the promise of new technology into a varied and rigorous educational program.

Sincerely yours,

MARY BURGAN,
General Secretary.

NEA,
October 9, 2001.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the National Education Association's (NEA) 2.6 million members, we urge you to oppose the Internet Equity and Education Act of 2001 (H.R. 1992). This legislation would eliminate or modify important policies that were carefully crafted during the 1998 reauthorization of the Higher Education Act, including the requirement that students enroll in 12 hours of coursework in order to receive financial aid and the so-called ''50 percent rule.''

NEA acknowledges and shares the concern of many Members that the 12-hour and 50 percent rules may not allow adequate expansion of distance learning. We do not, however, believe that elimination of these rules is the best way to ensure students a high quality education and maintain the integrity of the financial aid program. Passage of H.R. 1992 will negatively impact the federal government's role both in opening college and university doors to economically disadvantaged students who wish to attend college full-time, and in supporting life-long learning and non-traditional students.

Elimination or modification of the 12-hour and 50 percent rule would be premature at this time. Congress enacted the Learning Anywhere Anytime Partnerships (LAAP) demonstration program in 1998 to study the effects of distance learning on student aid program integrity. The program is in the second of its five-year authorization and has awarded grants to 25 participants. To date, Congress has had no opportunity for full evaluation of these partnerships, while the Department of Education has not compiled any meaningful information or data about the LAAP program.

Passing H.R. 1992 in its current form would send a message to college faculty that there is little inherent value to face-to-face instruction, classroom debate, and the social processes involved in learning. While we recognize that some educators and institutions have placed strong quality controls on their distance learning courses, not all distance courses include such protections.

We urge you to oppose H.R. 1992 until appropriate data about the LAAP program are available and a suitable alternative to the 12-hour and 50 percent rules can be developed. We look forward to working with Congress in this regard.

Sincerely,

MARY ELIZABETH TEASLEY,
Director of Government Relations

AMERICAN FEDERATION
OF TEACHERS,
October 9, 2001.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the more than one million members of the American Federation of Teachers (AFT), including over 120,000 in higher education, I urge you to oppose H.R. 1992, The Internet Equity and Education Act of 2001. It is our understanding this legislation will be considered by the House today. H.R. 1992 eliminates the requirement that students enroll in at least 12 hours of coursework to receive full student aid and modifies the so-called ''50 percent rule'' under which institutions must offer no more than half their coursework by distance education in order for their students to be able to receive federal student aid. These changes to existing provisions of law and regulation fail to take into consideration issues of quality and standards in distance education programs and preempt demonstration programs and studies that are currently underway to gauge the effects of distance learning on student aid program integrity.

Both the 12-hour and 50 percent rules, while not perfect, have been tools to ensure integrity in federal student financial aid programs within our institutions of higher education and promote some ''same-time same-place'' interaction as part of a student's academic program. Moving forward with H.R. 1992 at this time, without consideration to quality control safeguards and higher standards, would be premature and irresponsible, particularly when other approaches are available.

The AFT believes that we need more data and information on the effects of lifting the 12-hour and 50 percent rule. We, along with other organizations, anxiously await the information from the U.S. Department of Education on the Distance Education Demonstration program authorized by the Higher Education Act (HEA). The 5-year demonstration program is currently in its second year with 25 participants. The information gathered from this demonstration program will be available to inform Congress for the next HEA reauthorization on the most appropriate action on distance education policy.

The AFT is eager to work to develop possible alternatives that would both facilitate the intentions of the supporters of H.R. 1992 as well as respond to the concerns we have discussed. Technology has paved the way for significant developments in education. Ensuring that these developments enhance the quality of education in our colleges and universities is our primary goal and concern.

We urge you to vote against H.R. 1992 and wait until the appropriate data and information on the Demonstration project are available to assure quality safeguards for distance education.

Sincerely,

CHARLOTTE J. FRAAS,
Director, Depatment of Legislation.

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

Mr. LINDER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Mr. Speaker, I thank my colleague for yielding me the time.

I really rise in support of the rule and also to praise the author of this bipartisan legislation, the gentleman from Georgia (Mr. ISAKSON). He is right, this legislation is a modest step forward to provide needed flexibility with proper controls to enable our education system to take greater advantage of new technology.

This is not going to be the final answer. This is going to be subject to reauthorization in a couple of years. But why we should wait and why we should not, with controls, allow the education institutions of America to adapt to incorporated distance learning to other greater extent is beyond me.

The fact of the matter is that no institution would be enabled to go forward under this legislation if it were enacted unless it had a student default rate of less than 10 percent for the 3 most recent years. So really that door is closed. Furthermore, they could not automatically go ahead and get rid of some of the automated rules about in-class hours. They would have to submit their plan, and the Secretary could disapprove it if he felt it was inappropriate.

This legislation will help people who are working parents who cannot otherwise upgrade their knowledge easily because they are working and they have got to take care of their family. They can do that through distance learning at home on their computers. It will help people in rural areas, economically disadvantaged people. It will help people who have disabilities who cannot get around as easily. They can use the computer instead of the 12-hour rule, under appropriate circumstances.

I think the gentleman from Georgia (Mr. ISAKSON) hit it exactly right. This is not radical. We are already behind the curve. New technology is enabling things to move forward in many, many areas; and this bipartisan legislation will simply enable the education institutions of the United States to adapt to the changing technology faster than they would otherwise.

Mr. HASTINGS of Florida. Mr. Speaker, on July 24, 2001, the Secretary of Education passed on a letter to the gentlewoman from Hawaii (Mrs. MINK), and I ask unanimous consent to include it in the RECORD.

The SPEAKER pro tempore (Mr. GIBBONS). Is there objection to the request of the gentleman from Florida?

There was no objection.

The letter referred to is as follows:

SECRETARY OF EDUCATION,
Washington, DC., July 24, 2001.

Hon. PATSY T. MINK,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE MINK: Thank you for your letter regarding the Department of Education's report on the 12-hour rule and future policy guidance clarifying the Incentive Compensation provision. You also requested that we answer two questions raised at the 21st Century Competitiveness Subcommittee's hearing on June 20, 2001. The Administration is completing its review of H.R. 1992 and is currently developing a position on the bill.

In summary, I am pleased to inform you that we: have completed the report on the 12-hour rule; are finalizing the Administration's policy on incentive compensation; and with this letter, are responding to the questions raised in the hearing.

I agree with the statement that Dr. Stan Ikenberry of the American Council on Education made at your hearing that ''distance education will only continue to expand and we would be foolish to not look for ways to let learners, especially those for whom a traditional classroom setting is impracticable or unavailable, benefit from this powerful tool. If we fail to address this issue, we will be creating an access issue for students who must rely in part on federal aid to achieve their education goals.'' I am committed to moving forward to expand new educational opportunities and address the recommendations of the Web-based Education Commission while protecting students, taxpayers, and the integrity of the student financial aid programs. We would like to continue working with you during this process to ensure that we find a cost-neutral solution.

REPORT ON THE 12-HOUR RULE

We have completed our report to Congress on the Department's discussions with the higher education community. This report was requested in the conference report on the Department of Education Appropriations Act, 2001 (P.L. 106–554). The enclosed report contains details on the background and history of the 12-hour rule, information from two meetings with the higher education community that were held in October 2000 and January 2001, and information from three focus groups that were held in November and December 2000, and also summarizes the many interesting ideas that were generated during these meetings and focus groups. The enclosed report will be provided to all members of the Committee on Education and the Workforce.

The conference report also requested that the Department make recommendations to Congress by October 1, 2001, regarding the most appropriate means to maintain the integrity of the Federal student financial assistance programs without creating unnecessary paperwork for institutions of higher education. As the Department's Inspector General, Lorraine Lewis, mentioned in her testimony at the hearing, ''The key issue is harnessing the growth of the Internet and the advances in educational technology to expand educational opportunities is how to make changes that encourage innovative educational program delivery while ensuring accountability and integrity.'' We will continue to monitor the issue closely and may propose additional changes if necessary during the reauthorization process.

INCENTIVE COMPENSATION GUIDANCE

The Department is not yet prepared to issue a document on incentive compensation. We want any new guidance on this topic to be clear and not overly prescriptive for institutions of higher education.

Our first priority is to provide clear guidance to schools on the activities that are permissible under the law and regulations on incentive compensation. I agree with the statement made by Chairman McKeon at the hearing that many schools ''truly don't know if they are in violation of the law or not.'' We need to change this situation, because it is clear that the Department needs to provide better guidance in this area.

I am also mindful of the advice given by our Inspector General who said that ''the key issue is how to make changes that encourage innovative educational program delivery while ensuring accountability of taxpayer dollars and preserving the integrity of the SFA programs.'' For this reason, we plan to have new discussions with the higher education community on the safeguards that must be in place to ensure accountability and integrity. We need to strive for a consensus on boundaries that allow our institutions of higher education to operate in a reasonable and predictable environment and that also protect the public from the types of abuses we saw in the past.

Since the day I took office I have focused on tackling the substantial mismanagement and fraud that have cast a cloud over the Department's finances and reputation over the past few years. Faced with 661 audit recommendations, the Management Improvement Team I put in place in April has been working full-time. I reported last week that more than 300 of those recommendations have been addressed. In Student Financial Assistance, I have pledged that we will remove SFA from the General Accounting Office's list of ''high risk'' programs before the next reauthorization.

I am not about to open the door for fraud and abuse. I will never allow us to go back to the days when commissioned salespersons were paid to bring in unqualified applicants and I don't believe that the higher education community wants that either. I want to listen to the views of the higher education community before providing any new guidance on prohibited activities.

ANSWERS TO QUESTIONS

1. Should the criteria for recognition of accrediting agencies require that they have specific standards for evaluating the quantity and quality of distance education programs?

The Department recognizes accrediting agencies to ensure that these agencies are reliable authorities regarding the quality of education or training offered by the institutions or programs they accredit, for purposes of the Higher Education Act.

Educational quality and quantity for such postsecondary programs are already addressed in the current standards. We plan to discuss the findings in the Inspector General's report, ''Management Controls for Distance Education at State Agencies and Accrediting Agencies,'' released in September 2000 with the state and accrediting agencies and we will continue to work with them in this area. Until accrediting agencies have been given the opportunity to address these concerns, the Department does not believe that new specific Federally-mandated standards for recognition related to distance education are necessary at this time.

Each agency recognized by the Department must demonstrate that it has standards for accreditation, and preaccreditation, if offered, that are sufficiently rigorous to ensure that the agency is a reliable authority regarding the quality of the education or training provided by the institutions or programs it accredits.

The Department considers whether the agency's accreditation standards effectively address the quality of the institution or programs in the following areas:

Success with respect to student achievement in relation to the institution's mission, including, as appropriate, consideration of course completion, State licensing examination, and job placement rates.

Curricula.

Faculty.

Facilities, equipment, and supplies.

Fiscal and administrative capacity as appropriate, to the specified scale of operations.

Student support services.

Recruiting and admissions practices, academic calendars, catalogs, publications, grading, and advertising.

Measures of program length and the objectives of the degrees or credentials offered.

Record of student complaints received by, or available to, the agency.

Record of compliance with the institution's program responsibilities under Title IV of the Higher Education Act, based on the most recent student loan default rate data provided by the Department, the results of financial or compliance audits, program reviews, and any other information that the Secretary may provide to the agency.

Recognized agencies may establish additional accreditation standards that they deem appropriate beyond what is required by the Department's recognition criteria, and many in fact do. These additional standards could include standards specific to distance education.

2. What is the definition of ''instruction'' as it relates to the 12-hour rule? Should study groups be included as instruction?

In an effort to provide great flexibility to institutions that serve nontraditional students, the final regulations published on November 29, 1994, considered instruction to include regularly scheduled instruction, examination, or preparation for examination. This instructional time also includes internships, cooperative education programs, independent study and other forms of regularly scheduled instruction. Instructional time does not include periods of orientation, counseling, or vacation. The final regulations published November 1, 2000, clarified that homework does not count as instructional time and that, in terms of ''preparation for examinations,'' only study for final examinations that occurs after the last scheduled day of classes for a payment period would count as instructional time. A study group that did not conform to these regulatory criteria would not be considered as instruction.

Thank you for the opportunity to respond to these issues. I look forward to continuing to work with you, Chairman McKeon, Chairman Boehner, and Representative Miller over the coming years to expand educational opportunities for all Americans.

Sincerely,

ROD PAIGE.

Mr. HASTINGS of Florida. Mr. Speaker, I have no additional speakers.

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

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

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

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule; and I would like to begin by congratulating my friend from Georgia (Mr. ISAKSON), who, having talked about his work on the commission, has, I believe, done a superb job in realizing that we have the ability to take 21st-century technology and link that up with the very important opportunity for educational choice. It seems to me that as we look at the challenges of the new millennium, it is obvious that education is at the top of the list and we know very much that technology is changing our lives in so many, many ways. I believe that this legislation is a very important step in the direction of doing just that.

We have got a very fair and balanced rule that will allow us to move ahead to enhance the quality of education in this country. I believe that we should enjoy strong bipartisan support. The gentleman from Georgia (Mr. ISAKSON) has just informed me that we will see strong support from both sides of the aisle for this measure. And so I think it is important that we have the debate. It is important that we allow for these different options to be considered. But at the end of the day, I believe that this measure is deserving of all Members' votes because we do face a lot of challenges. And we obviously today are focused on the war against terrorism.

We know that if we look at the campaign of last year, President Bush and Vice President Gore talked about the need to improve education. And so improving the quality of education in this country is not a partisan issue. And this measure which the gentleman from Georgia (Mr. ISAKSON) and his colleagues on the Committee on Education and the Workforce have fashioned is one which I believe will go a long way toward improving that quality and then recognizing where we are. So I hope very much that we will pass this rule, and I hope that we will pass the bill; and I congratulate all of those involved in it.

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

Mr. LINDER. Mr. Speaker, at this time I urge my colleagues to support this fair rule and move on with the debate of the bill.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid upon the table.

Mr. BOEHNER. Mr. Speaker, pursuant to House Resolution 256, I call up the bill (H.R. 1992) to amend the Higher Education Act of 1965 to expand the opportunities for higher education via telecommunications, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 256, the bill is considered read for amendment.

The text of H.R. 1992 is as follows:

H.R. 1992

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

SECTION 1. SHORT TITLE.

This Act may be cited as the '' Internet Equity and Education Act of 2001''.

SEC. 2. EXCEPTION TO 50 PERCENT CORRESPONDENCE COURSE LIMITATIONS.

(a) DEFINITION OF INSTITUTION OF HIGHER EDUCATION FOR TITLE IV PURPOSES.—Section 102(a) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)) is amended by adding at the end the following new paragraph:

''(7) EXCEPTION TO LIMITATION BASED ON COURSE OF STUDY.—Courses offered via telecommunications (as defined in section 484(*l*)(4)) shall not be considered to be correspondence courses for purposes of paragraph (3)(A) for any institution that—

''(A) is participating in either or both of the loan programs under part B or D of title IV on the date of enactment of the Internet Equity and Education Act of 2001; and

''(B) has a cohort default rate (as determined under section 435(m)) for each of the 3 most recent fiscal years for which data are available that is less than 10 percent.''.

(b) DEFINITION OF ELIGIBLE STUDENT.—Section 484(*l*)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(*l*)(1)) is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION TO 50 PERCENT LIMITATION.—Notwithstanding the 50 percent limitation in subparagraph (A), a student enrolled in a course of instruction described in such subparagraph shall not be considered to be enrolled in correspondence courses if the student is enrolled in an institution that—

''(i) is participating in either or both of the loan programs under part B or D of title IV on the date of enactment of the Internet Equity and Education Act of 2001; and

''(ii) has a cohort default rate (as determined under section 435(m)) for each of the 3 most recent fiscal years for which data are available that is less than 10 percent.''.

SEC. 3. DEFINITION OF ACADEMIC YEAR.

Section 481(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(2)) is amended by inserting after the first sentence the following new sentence: ''For the purposes of any program under this title (whether a standard or nonstandard term program), a week of instruction is defined as a week in which at least one day of instruction, examination, or preparation for examination occurs.''.

SEC. 4. INCENTIVE COMPENSATION.

(a) AMENDMENT.—Part G of title IV of the Higher Education Act of 1965 is amended by inserting after section 484B (20 U.S.C. 1091b) the following new section:

''SEC. 484C. INCENTIVE COMPENSATION PROHIBITED.

''No institution of higher education participating in a program under this title shall make any payment of a commission, bonus, or other incentive, non-salary payment, based directly on success in securing enrollments or financial aid, to any person or entity directly engaged in student recruiting or admission activities, or making decisions regarding the award of student financial assistance, except that this section shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.''.

(b) CONFORMING AMENDMENT.—Paragraph (20) of section 487(a) (20 U.S.C. 1094(a)(20)) is repealed.

(c) TECHNICAL AMENDMENT.—Section 487(c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1094(c)(1)) is amended by striking ''paragraph (2)(B)'' each place it appears in subparagraphs (F) and (H) and inserting ''paragraph (3)(B)''.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 1992, as amended, is as follows:

H.R. 1992

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Internet Equity and Education Act of 2001''.

SEC. 2. EXCEPTION TO 50 PERCENT CORRESPONDENCE COURSE LIMITATIONS.

(a) DEFINITION OF INSTITUTION OF HIGHER EDUCATION FOR TITLE IV PURPOSES.—Section 102(a) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)) is amended by adding at the end the following new paragraph:

''(7) EXCEPTION TO LIMITATION BASED ON COURSE OF STUDY.—Courses offered via telecommunications (as defined in section 484(l)(4)) shall not be considered to be correspondence courses for purposes of subparagraph (A) or (B) of paragraph (3) for any institution that—

''(A) is participating in either or both of the loan programs under part B or D of title IV on the date of enactment of the Internet Equity and Education Act of 2001;

''(B) has a cohort default rate (as determined under section 435(m)) for each of the 3 most recent fiscal years for which data are available that is less than 10 percent; and

''(C)(i) has notified the Secretary, in a form and manner prescribed by the Secretary (including such information as the Secretary may require to meet the requirements of clause (ii)), of the election by such institution to qualify as an institution of higher education by means of the provisions of this paragraph; and

''(ii) the Secretary has not, within 90 days after such notice, and the receipt of any information required under clause (i), notified the institution that the election by such institution would pose a significant risk to Federal funds and the integrity of programs under title IV.''.

(b) DEFINITION OF ELIGIBLE STUDENT.—Section 484(l)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(l)(1)) is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION TO 50 PERCENT LIMITATION.—Notwithstanding the 50 percent limitation in subparagraph (A), a student enrolled in a course of instruction described in such subparagraph shall not be considered to be enrolled in correspondence courses if the student is enrolled in an institution that—

''(i) is participating in either or both of the loan programs under part B or D of title IV on the date of enactment of the Internet Equity and Education Act of 2001;

''(ii) has a cohort default rate (as determined under section 435(m)) for each of the 3 most recent fiscal years for which data are available that is less than 10 percent; and

''(iii)(I) has notified the Secretary, in form and manner prescribed by the Secretary (including such information as the Secretary may require to meet the requirements of subclause (II)), of the election by such institution to qualify its students as eligible students by means of the provisions of this subparagraph; and

''(II) the Secretary has not, within 90 days after such notice, and the receipt of any information required under subclause (I), notified the institution that the election by such institution would pose a significant risk to Federal funds and the integrity of programs under title IV.''.

SEC. 3. DEFINITION OF ACADEMIC YEAR.

Section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)) is amended by adding at the end the following new paragraph:

''(3) For the purposes of any eligible program, a week of instruction is defined as a week in which at least one day of regularly scheduled instruction or examinations occurs, or at least one day of study for final examinations occurs after the last scheduled day of classes. For an educational program using credit hours, but not using a semester, trimester, or quarter system, an institution of higher education shall notify the Secretary, in the form and manner prescribed by the Secretary, if the institution plans to offer an eligible program of instruction of less than 12 hours of regularly scheduled instruction, examinations, or preparation for examinations for a week of instructional time.''.

SEC. 4. INCENTIVE COMPENSATION.

(a) AMENDMENT.—Part G of title IV of the Higher Education Act of 1965 is amended by inserting after section 484B (20 U.S.C. 1091b) the following new section:

''SEC. 484C. INCENTIVE COMPENSATION PROHIBITED.

''(a) PROHIBITION.—No institution of higher education participating in a program under this title shall make any payment of a commission, bonus, or other incentive payment, based directly on success in securing enrollments or financial aid, to any person or entity directly engaged in student recruiting or admission activities, or making decisions regarding the award of student financial assistance, except that this section shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.

''(b) EXCEPTIONS.—Subsection (a) does not apply to payment of a commission, bonus, or other incentive payment—

''(1) pursuant to any contract with any third-party service provider that has no control over eligibility for admission or enrollment or the awarding of financial aid at the institution of higher education, provided that no employee of the third-party service provider is paid a commission, bonus, or other incentive payment based directly on success in securing enrollments or financial aid; or

''(2) to persons or entities for success in securing agreements, contracts, or commitments from employers to provide financial support for enrollment by their employees in an institution of higher education or for activities that may lead to such agreements, contracts, or commitments.

''(c) EXCEPTION FOR FIXED COMPENSATION.—For purposes of subsection (a), a person shall not be treated as receiving incentive compensation when such person receives a fixed compensation that is paid regularly for services and that is adjusted no more frequently than every six months.''.

(b) CONFORMING AMENDMENT.—Paragraph (20) of section 487(a) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(20)) is repealed.

(c) TECHNICAL AMENDMENT.—Section 487(c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1094(c)(1)) is amended by striking ''paragraph (2)(B)'' each place it appears in subparagraphs (F) and (H) and inserting ''paragraph (3)(B)''.

SEC. 5. EVALUATION AND REPORT.

(a) INFORMATION FROM INSTITUTIONS.—

(1) INSTITUTIONS COVERED BY REQUIREMENT.—The requirements of paragraph (2) apply to any institution of higher education that—

(A) has notified the Secretary of Education of an election to qualify for the exception to limitation based on course of study in section 102(a)(7) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)(7)) or the exception to the 50 percent limitation in section 484(l)(1)(C) of such Act (20 U.S.C. 1091(l)(1)(C));

(B) has notified the Secretary under section 481(a)(3) of such Act (20 U.S.C. 1088(a)(3)); or

(C) contracts with outside parties for—

(i) the delivery of distance education programs;

(ii) the delivery of programs offered in nontraditional formats; or

(iii) the purpose of securing the enrollment of students.

(2) REQUIREMENTS.—Any institution of higher education to which this paragraph applies shall comply, on a timely basis, with the Secretary of Education's reasonable requests for information on changes in—

(A) the amount or method of instruction offered;

(B) the types of programs or courses offered;

(C) enrollment by type of program or course;

(D) the amount and types of grant, loan, or work assistance provided under title IV of the Higher Education Act of 1965 that is received by students enrolled in programs conducted in nontraditional formats; and

(E) outcomes for students enrolled in such courses or programs.

(b) REPORT BY SECRETARY REQUIRED.—The Secretary of Education shall conduct by grant or contract a study of, and by March 31, 2003, submit to the Congress, a report on—

(1) the effect that the amendments made by this Act have had on—

(A) the ability of institutions of higher education to provide distance learning opportunities to students; and

(B) program integrity;

(2) with respect to distance education or correspondence education courses at institutions of higher education to which the information requirements of subsection (a)(2) apply, changes from year-to-year in—

(A) the amount or method of instruction offered and the types of programs or courses offered;

(B) the number and type of students enrolled in distance education or correspondence education courses;

(C) the amount of student aid provided to such students, in total and as a percentage of the institution's revenue; and

(D) outcomes for students enrolled in distance education or correspondence education courses, including graduation rates, job placement rates, and loan delinquencies and defaults;

(3) any reported and verified claim of inducement to participate in the student financial aid programs and any violation of the Higher Education Act of 1965, including any actions taken by the Department of Education against the violator; and

(4) any further improvements that should be made to the provisions amended by this Act (and related provisions), in order to accommodate nontraditional educational opportunities in the Federal student assistance programs while ensuring the integrity of those programs.

SEC. 6. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.

Section 420J of the Higher Education Act of 1965 (20 U.S.C. 1070f–6) is amended by adding at the end the following new sentence: ''If for any fiscal year funds are not appropriated pursuant to this section, funds available under part B of title VII, relating to the Fund for the Improvement of Postsecondary Education, may be made available for continuation grants for any grant recipient under this subpart.''.

SEC. 7. IMPLEMENTATION.

(a) NO DELAY IN EFFECTIVE DATE.—Section 482(c) of the Higher Education Act of 1965 (20 U.S.C. 1089(c)) shall not apply to the amendments made by this Act.

(b) IMPLEMENTING REGULATIONS.—Section 492 of the Higher Education Act of 1965 (20 U.S.C. 1098a) shall not apply to the amendments made by sections 2 and 3 of this Act.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in House Report 107–232 if offered by the gentlewoman from Hawaii (Mrs. MINK), or her designee, which shall be debatable for 1 hour, equally divided and controlled by a proponent and an opponent.

The gentleman from Ohio (Mr. BOEHNER) and the gentlewoman from Hawaii (Mrs. MINK) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous information on H.R. 1992.

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

There was no objection.

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

First, I want to thank the gentleman from Georgia (Mr. ISAKSON) for introducing this timely and important legislation, H.R. 1992, the Internet Equity and Education Act of 2001. As a co-chair of the Web-based Education Commission, the gentleman took the lead in discovering regulatory and statutory impediments to expanding accesses to higher education programs through the Internet, especially more nontraditional students.

I want to thank the gentleman from California (Mr. MCKEON) for his efforts in moving the bill through the committee and getting it here on the floor for a vote.

The legislation we are considering today makes minor but meaningful changes to the Higher Education Act to expand access to higher education while maintaining the integrity of our financial assistance programs.

This legislation does three things. It will remove the burden of the so-called 12-hour rule. Under this rule, institutions are required to keep literally hundreds of thousands of additional attendance records each year just to show that their students attended certain types of study or learning sessions.

□ 1130

Second, H.R. 1992 changes current law to allow a limited number of institutions to offer more than 50 percent of their courses by telecommunications or to serve more than 50 percent of their students through telecommunication courses.

Thirdly, H.R. 1992 helps to address some of the confusion regarding the incentive compensation provisions enacted in 1998.

It is important that we move forward with this legislation to ensure that students have access to the best educational opportunities. If changes are not made now, we are going to have to wait until the next reauthorization of the Higher Education Act in 2003, and most likely until after the rulemaking process that follows a reauthorization. This could easily mean an additional 4 or 5 years. By passing this legislation now, Congress will have 2 years to monitor the impact that these amendments will make and could easily make the necessary mid-course corrections as part of the coming reauthorization.

Distance education provides a tremendous opportunity to expand access to postsecondary education to those who may otherwise be unable to participate. We recognize there are concerns associated with new technologies and new methods of providing education. However, there are also tremendous possibilities for students who otherwise may not be able to get an education. We are indeed mindful of those concerns, and I believe that this legislation contains the necessary safeguards to ensure that title IV student assistance funds are spent the way they are intended, to benefit students, and to serve the public interest. This legislation contains a thoughtful balance between prudence and innovation.

H.R. 1992 is a needed first step to ensure that a postsecondary education is available to all who want to pursue it. At the same time, it does not diminish nor undo needed integrity provisions in the law. All of my colleagues should vote today to expand educational opportunities for all of our citizens. It is the right thing to do, and it is the right time to do it. I would urge all my colleagues today to support our bill.

Madam Speaker, I reserve the balance of my time.

Mrs. MINK of Hawaii. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today in strong opposition to H.R. 1992. I believe that it endangers the stability and integrity of the Federal student financial aid programs and could lead us back to a time of high double-digit default rates. That is the singular purpose which prompts me to rise in opposition to this legislation. I believe that Congress has no greater responsibility to the taxpayers than to make certain that what happened in the 1980s and early 1990s, which created this huge student default rates, should never ever happen again in this country.

Congress took action in 1992 and established some very tight protections to govern the operation of the student aid program, not to limit education for the disadvantaged, or for those that are homebound or those in rural areas or people who are working for a living in the daytime and can only afford nighttime or weekend classes. Certainly we want to encourage that. But we do not want to encourage it with the idea that the protections that were enacted in 1992 are going to be cast aside, and this is what H.R. 1992 does today. It, in effect, repeals three very basic protections, and I feel that it is not only premature but that the Congress ought to consider the efficacy of such repeal when we consider the reauthorization of the Higher Education Act in the next several months.

Distance education is here. We certainly want to foster it. We want to do everything we can to encourage people to utilize the Internet, laptops, and so forth in order to advance themselves, to obtain a quality education, better jobs and better opportunities for their families. But in doing so, we do not want to sacrifice the financial integrity of the student financial aid programs, and that is all that we are questioning today and that is what this debate is all about.

We had an opportunity to discuss this in committee. There was a division, a sharp division on my side. Ten members on our side voted against the bill and nine voted for it. So there is a division and a substantial question which has been echoed not only by Members of Congress with respect to this legislation, but by the American Federation of Teachers, that has distributed a letter to all Members of the Congress raising very strong concerns they have about eliminating these protections. The National Education Association has sent out letters to all of us asking us to oppose enactment of this bill at this time.

The American Association of University Professors, comprising those individuals who are right there at the front line of higher education, who should know something about it, is asking us not to vote for this bill at this time.

The Web-based Commission that is cited many times as being the ones that originated this discussion made no recommendation in their commission findings. They said we should study it and we should decide whether there should be changes.

Congress in 1998 said, well, these are the issues that ought to be discussed. They established a demonstration grant program administered by the Department. The grants have been in effect for 2 years. We have only one report. It is a 5-year demonstration program. We certainly ought to give that demonstration project its life so that we can decide from actual experiences in the field whether lifting the 50–50 rule and the 2-hour rule and the incentive prohibitions can, in a way, jeopardize the stability of the student financial aid program.

So we rise today with great trepidation that if we move too hastily, we will jeopardize the program that has meant so much to the future of our people in the country trying to better themselves through higher education. We have reports which have come in recently, a news release today, as a matter of fact, by the U.S. Department of Education, the Inspector General's Office, which has charged Indiana Wesleyan University with violating the very rules that were put into effect to safeguard the student financial aid program. They found this university as wanting in terms of the 12-hour rule and in terms of the ban that was placed from going out to solicit students and getting a kickback of the tuitions for that particular type of illegal recruiting.

And this is not the first time. The Office of Inspector General has issued a number of other citations against other universities. So this is a real problem. We are not trying to raise flags of concern regarding nonexistent difficulties in the higher educational field. So today's press release is a stern warning that we ought to be very careful.

In the first place, it is the Inspector General of the U.S. Department of Education that came to the committee and testified about the importance of this protective legislation that was put into effect in 1992, and she did not support repealing them at this time. So I take great heed of the words from the Inspector General, who has the enforcement responsibility; and she told us in committee that these protective provisions in the law today are important. They are important to safeguard the

integrity of the student financial aid program, and they ought not to be dismissed without intense discussion and consideration and, also, possible recommendations for alternate measures that might be substituted if this indeed is too severe.

So I think we ought to take heed of the inspector general's words and also note the fact that just days before the subcommittee met to mark up the bill the Secretary of the Department of Education said he was not sure that any of these changes were needed or timely, and that the Department asked for further time to study these matters. So this is a matter, I think, of great interest to those who are following the distance learning. We want to do everything we can to encourage it, but we do have a unique responsibility as Members of Congress to make sure that no jeopardy comes to the stability and financial integrity of the student financial aid program.

I believe that that is what is at the heart of our disagreement today, and I would hope that Members of Congress will listen to the debate and vote against H.R. 1992.

Madam Speaker, I reserve the balance of my time.

Mr. BOEHNER. Madam Speaker, I yield such time as he may consume to the gentleman from California (Mr. MCKEON), the distinguished chairman of the Subcommittee on 21st Century Competitiveness.

Mr. MCKEON. Madam Speaker, I rise in strong support of H.R. 1992, and I want to commend our chairman, the gentleman from Ohio (Mr. BOEHNER), for the leadership that he has rendered to the committee this year and for helping us get this bill to the floor.

We are here to consider a bill, H.R. 1992, the Internet Equity and Education Act of 2001, that will open the doors of higher education to those who may not otherwise have an opportunity to walk through that door. I know we have heard some friendly opposition from the other side, but we have bent over backwards on this bill. We held a hearing that was attended by members of the community that expressed broad support for the measures in this bill. We scheduled a subcommittee hearing, which we postponed due to some concerns that the other side have to give sufficient time to move forward. We finally held that and moved the bill out of subcommittee. Then we moved to full committee. It was passed out of full committee after giving everyone a chance to have full discussion and amendments, and it was voted on in a bipartisan way, 31 to 10.

I am reminded of the story of the gentleman that said I want to travel to California from Washington, and I am not going to leave until every light is green between here and California. Sometimes we have to start and move forward and take action, and I think now is the time.

I am grateful to the gentleman from Georgia (Mr. ISAKSON) for introducing H.R. 1992, the Internet Equity and Education Act of 2001. The service of the gentleman from Georgia as cochairman of the Web-based Education Commission provided valuable insight into the development of this legislation. He also serves as vice chairman of our higher education subcommittee, the Subcommittee on 21st Century Competitiveness, and is a great leader on that committee.

H.R. 1992 is a wonderful first step in implementing some of the recommendations put forward by the Web-based Education Commission as it expands the use of the Internet to increase access to educational opportunities. This legislation makes minor changes to the Higher Education Act, minor changes that will result in major opportunities for the Nation's students.

In calling the changes minor, I am in no way diminishing their potential impact. In making these changes, we took great care to ensure that the integrity and stability of the student aid programs within the Higher Education Act are preserved and protected. The concerns that the gentlewoman from Hawaii (Mrs. MINK) had of problems in the past are well recognized. And we understand those concerns, and we have taken adequate steps to make sure that those are preserved.

Through reporting requirements imposed on institutions, as well as a report to Congress required of the Secretary, we will be kept informed of the outcome of this legislation in a timely manner. This will serve us well as we head into reauthorization of the Higher Education Act, which will take place in 2003.

The provisions within this bill and the innovation it will allow us has the support of many in the higher education community. As many of my colleagues know, my subcommittee has been working on the Fed. Up initiative. This project identifies needless or overly burdensome regulations within the Higher Education Act and will try to bring some sense to the regulations that the schools must deal with on a daily basis.

□ 1145

Of the more than 3,000 Fed. Up responses we have received and catalogued, and we are not completely finished. More than 40 commenters have requested that the 12-hour rule be eliminated, and H.R. 1992 does that in response to their request.

Madam Speaker, 16 commenters requested that the 50 percent rule be eliminated or modified; and H.R. 1992, in response to their request, does that. Nineteen commenters have requested that the incentive compensation rules be clarified, and H.R. 1992 does that. We are simply being responsive to our constituents.

I have also received many letters in support of H.R. 1992. Those letters include the National Association of Student Financial Aid Administrators, a group of 3,100 schools; the American Council on Education that represents 1,900 schools; the California Association of Student Financial Aid Administrators; the California Student Aid Commission; EdFund; Stevens Institute of Technology; the California Postsecondary Education Commission; the University of Wisconsin Extension; and many others offering their endorsement of this fine bill.

One letter that was very timely came from St. Leo University, and I would like to enter this letter as part of the RECORD. St. Leo University is the sixth largest provider of higher education to military-related personnel in the United States. It is also the first college or university to grant a bachelor's degree on an Air Force base. Its President, Arthur Kirk, wrote to support immediate passage of H.R. 1992. Sixty percent of St. Leo's second-term enrollments for their military students are for online courses, and it is not too much to say that the events of the past several weeks will only accelerate that trend.

We need to make sure those men and women whose lives are being disrupted to defend the freedoms of this great country and the families left at home have as many options as possible to continue their education.

The Internet Equity and Education Act of 2001 provides a way to accomplish that goal. I urge my colleagues to vote yes on H.R. 1992, vote yes on the future of educational opportunities, vote yes on the future of our Nation's students, and vote yes on the future of this country.

The material previously referred to is as follows:

SAINT LEO UNIVERSITY,
OFFICE OF THE PRESIDENT,
St. Leo, FL, September 25, 2001.

Hon. JOHN A. BOEHNER,
Chairman, House Education and Workforce Committee, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN BOEHNER: I write to support the immediate passage of H.R. 1992, the ''Internet Equity and Education Act of 2001.'' H.R. 1992 will help to solve an urgent problem related to the education of the United States Armed Services enlisted personnel.

For several years, our military branches have wisely encouraged and supported distance learning, particularly, Internet courses intended to provide greater access and flexibility in higher education for their personnel. You are probably very familiar with E-Army University, perhaps the highest profile initiative.

As the sixth largest provider of higher education to the military and the first college or university in the United States to grant the bachelors degree on an Air Force base, Saint Leo University responded to the military's encouragement with Internet courses. As we developed these courses, our military students (and others) flocked to them. As a member of E-Army University, we enroll the largest numbers pursuing a bachelor's degree and are third largest in E-Army University of the 29 Army accredited schools. Twenty-five (25%) of our military center credits are taken on-line compared to seven percent (7%) last fall, and these members do not include our E-Army University students. Every soldier or sailor who moves from a

classroom to an on-line course moves us closer to the 50% limit by a function of two (one-less in class, one more on line).

The attacks of September 11 and subsequent mobilization of our military forces accelerates this trend rapidly. Indeed, sixty percent of our preliminary enrollments for our second fall term for the military are currently on-line! Saint Leo University, one of the first and one of the largest in higher education service to the United States military, will soon hit the 50% limit.

Please implore your colleagues in both the House and Senate to eliminate this artificial barrier for the sake of our men and women serving in our Armed Forces.

Thank you,

Sincerely,

ARTHUR F. KIRK, Jr.,
President.

Mrs. MINK of Hawaii. Madam Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Madam Speaker, I rise today to talk about what the gentleman from Ohio (Mr. BOEHNER) spoke of, the need to take advantage of the tremendous possibilities of modern educational technology in this Internet age, particularly for nontraditional students. We want that, but we must be careful how we go about it.

I urge my colleagues to support the substitute amendment that will be offered by the gentlewoman from Hawaii (Mrs. MINK). As my colleagues know, the gentlewoman from Hawaii (Mrs. MINK) has played a part in every significant higher education law passed in Congress since 1965. She is our expert on this subject. Her substitute amendment makes good sense. We should listen and heed her experience. Let me speak for a minute about this bill, especially for Members who may not have had an opportunity to attend the hearings on H.R. 1992.

Back in the year 1992, Congress established new rules to safeguard Federal student financial loan programs; and these rules were put into effect because more than one student in five was defaulting on loans within 2 years after leaving school. And these loan default rates were much higher at some schools than others. It was a national disgrace, as well as a waste of money. Cases of fraud and abuse were widespread and were the subject of hearings here in Congress.

As a result, working together, Democrats and Republicans put in safeguards that have protected students, the schools, and taxpayers and brought student loan default rates down tremendously.

The legislation before us today, while attempting to update our policies dealing with distance learning, alters or eliminates several of these important protections. It makes these changes in an environment where few Members have a clear understanding of what the changes will mean.

That is part of the reason why H.R. 1992 is opposed by education groups like the American Federation of Teachers, the National Education Association, and the American Association of University Professors. It is important to remember that next year Congress will begin reauthorization of the Higher Education Act. Why these important changes cannot wait for the full examination at that time, I do not know.

Madam Speaker, I would like to talk for a moment about the so-called 12-hour rule, what it is and what it means to students and taxpayers. I offered an amendment in committee that would have stricken the provisions in this bill to eliminate the 12-hour rule, and I am pleased that those provisions will be in the amendment to be offered by the gentlewoman from Hawaii (Mrs. MINK).

Simply put, H.R. 1992 eliminates the requirement in law that students enroll in at least 12 hours of face-to-face course work to receive full student financial aid. In 1992, the Higher Education Act did not define what a full-time student was. The Department of Education, for nonstandard students, defined a week of instruction as any week in which at least 12 hours of instruction, examination, or preparation was offered.

Well, there is general agreement among educators that the 12-hour requirement of seat-time is not the only, probably not even the best way to qualify for full-time pursuit of higher education.

Consider for a moment, would any reasonable person out in America say that a student who logs on one day a week, not all day but some time, one day a week, is a full-time student? That is not the way most people in my district would define a full-time student. That would allow, I am afraid, real abuse in the awarding of student loans to schools.

The Department of Education, in its recently released report, ''Student Financial Assistance and Nontraditional Educational Programs,'' concluded there is a need for a policy change in this area but that there is no consensus yet about what that change should be.

Further, last year two items related to nontraditional programs were included in the Department's proposed agenda for negotiated rulemaking, including application of a 12-hour rule.

We have heard about the Web-based Commission as the so-called reason for this legislation before us today. The Web-based Commission did not recommend any specific changes, such as changing the 12-hour rule to a 1-day rule. The commission merely encouraged the Federal Government to review and, if necessary, revise. Those are the commission's words, to revise these provisions.

The substitute amendment by the gentlewoman from Hawaii (Mrs. MINK) would allow us to review these provisions before we revise them. We certainly should do that. Abruptly changing the 12-hour rule to a 1-day rule opens the door to fraud and abuse.

Mr. BOEHNER. Madam Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. ISAKSON).

(Mr. ISAKSON asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. ISAKSON. Madam Speaker, I thank the gentleman for yielding me this time, and I include for the RECORD pages 90 through 94 of the Web-based Education Commission.

Madam Speaker, it has been referenced that the Web-based Education Commission was the genesis for the review of these rules and regulations, and that is exactly correct. It has been alleged that the commission made no recommendations, and that is incorrect. On those pages, the 50 percent, the 12-hour rule, and the incentive compensation are discussed.

The gentleman from New Jersey is correct, the recommendation was for the Congress to review and recommend the changes in those regulations to facilitate distance learning; and that is what the subcommittee, the gentleman from California (Mr. MCKEON) and the gentleman from Ohio (Mr. BOEHNER), did which became the genesis of this act which has been renewed significantly.

Let me get away from the technical 50 percent, 12-hour, and incentive compensation debate and talk in real terms. In real terms, the 1992 restrictions, many of which these three rules came out of, dealt more with correspondence courses and less with telecommunications. In the 10 years since that time, universities all over this country have dramatically expanded the delivery of educational content over the Internet. The gentleman from New Jersey (Mr. HOLT) asked what our citizens might think if we said only logging on 1 day a week would constitute a full-time education.

I ask what would our constituents think if we told them that Georgia Tech, MIT, and Stanford offer master's degrees in electrical engineering totally over the Web without visiting the campus. The fact of the matter is, education is far ahead of us, and who is left behind are those who are economically disadvantaged, yet academically qualified to attend higher institutions all over the country.

Students, who because of distance or economics, cannot visit these distinguished campuses and study are prohibited from getting student loans. Therefore, those who have the wealth to do it can get an education; but those who do not have the wealth but have the ability are barred by the use of the Internet and the Web.

This is a very narrowly drawn bill. It only allows approved courses to be offered from institutions that qualify under title IV. It restricts any student loan being made to a student institution that has a default rate of higher than 10 percent, and it authorizes the Department to monitor it.

My last point deals with incentive compensation. The gentlewoman from Hawaii (Mrs. MINK) is exactly correct.

There were abuses of incentive compensation. The Department of Education did exactly what it should do to restrict incentive compensation, and it did so in an environment where the delivery of knowledge and availability of course work was not the same as it is today. The unintended consequence of that rule as it exists prohibits information from getting to students via the Internet and Web sites based on interpretations of the compensation of those individuals. This repeal of incentive compensation only says that an employee of an organization who does not themselves directly make the loan may receive a raise as long as it is not tied to the offering of any student loan because the department head construed the previous prohibition against incentive compensation to prohibit even a salary increase.

Madam Speaker, I urge my colleagues to read the four pages that I have submitted, to follow the leadership of the gentleman from Ohio (Mr. BOEHNER), the gentleman from California (Mr. MCKEON) and Senator KERRY, who was the chairman of this commission, and let us move education forward so those who have the least available to them may enjoy the benefits of those who otherwise can economically afford it.

The referenced material is as follows:

Some state requirements are mutually exclusive, making it potentially impossible or impractical to create and adjust web-based programs that meet varying state requirements.

A program may be forced to meet the lowest common denominator to achieve homogeneity requirements.

Institutions in one state may refuse to accept credentials awarded by institutions in other states.

Student aid eligibility may be limited for some students involved in technology-mediated learning.

These issues were raised many times by witnesses testifying at our hearings and through e-Testimony submissions to the Commission. For instance, some states require no approval process for establishing online programs; others require a simple letter explaining their program. Yet another was reported to require an institution to provide an all-expense paid visit to its main location and honoraria to its staff. Fees, reporting requirements, and time required for approval also varied from immediate permission, to a two-year backlog of applications followed by a two-year waiting period.

Beyond these intitutional concerns, there are additional barriers for learners. The Internet now makes it possible for a student to purchase a course from his or her local university around the corner, or an institution half a world away. But the same course can be priced very differently. ''In-state versus out-of-state tuition rates, non-profit designation, non-profits spinning out for-profits, and for-profit companies create a web of cost structures and tuition regulations that prevent students from choosing the curriculum and price that best meet their needs.'' This same maze makes it difficult for students to transfer credits from one institution to another and to create the personalized programs that also best meet their needs.

The Internet allows for a learner-centered environment, but our legal and regulatory framework has not adjusted to these changes. ''Law is by its nature a slow and deliberative process,, and the closer its orbit comes to the development and use of technologies that are changing rapidly, the more likely its impact will be unintended.''

FEDERAL STATUTORY AND REGULATORY BARRIERS

The federal government has struggled to establish within statute and regulations a framework that accommodates the promise of the Internet for postsecondary education while promoting access and ensuring accountability.

The effort has had mixed results.

Three specific federal issues were brought to the Commission's attention: the ''12-hour rule,'' the ''50 percent rule,'' and the federal prohibition on providing incentive compensation in college admissions.

THE 12-HOUR RULE

When Congress amended the Higher Education Act in 1992, it added a specific definition of an academic year that prescribed at least 30 weeks of instructional time. Full-time undergraduate students in traditional academic programs are expected to complete at least 24 semester hours or trimester hours (or 36 quarter hours, or 900 clock hours) in that time period to be eligible for the maximum amount of financial aid under the Title IV program.

However, the law was silent on establishing an academic workload requirement for students enrolled in Title IV eligible programs offered in a nontraditional time segment.

To deal with this, the U.S. Department of Education developed regulations to implement the statutory definition of an academic year, including establishing full-time workload requirements for students enrolled in programs offered in nontraditional time segments. In 1994, the Department issued formal regulations defining a week of instructional time to mean 12 hours of ''regularly scheduled instructions, examinations, or preparation for examination'' for programs that are not offered in standard terms.

THE 50 PERCENT RULE

Likewise, the ''50 percent rule'' requires Title IV-eligible institutions to offer at least 50 percent of their instruction in a classroom-based environment. The basis of this rule is to assure that a student is physically participating in an academic course of study for which he or she is receiving federal student financial assistance. In enacting this provision in the 1992 Higher Education Amendments, Congress sought to address concerns about fraud and abuse within the correspondence school industry.

While understanding that physical seat time may not be an appropriate measure of quality for the increasing proliferation of online distance learning programs, the Department views these two rules as important measures of accountability that should not be eliminated or replaced unless there is a viable alternative.

In recent months, public, independent, and proprietary colleges and universities have called for the elimination of the 12-hour rule and the 50 percent rule or, at minimum, a moratorium on their enforcement.

These institutions argue that the rules simply don't make sense in light of online distance education and the growing use of the Internet for instructional delivery. As one witness put it: ''If we are to be required to assess educational quality and learning by virtue of how long a student sits in a seat, we have focused on the wrong end of the student.

Far from creating incentives for students and institutions to experiment with new distance education methodologies offered anytime, anyplace, and at any pace, the current student financial aid regulations discourage innovation. If a student cannot travel to an institution and participate in face-to-face instruction, that student may only qualify for reduced financial aid. The practical impact is a system of federal student financial assistance that gives substantial preference to the mainstream educational experience.

In seeking correctly to halt abuse in the student financial aid program, these rules may, in fact, have the unintended effect of curtailing educational opportunity among thousands who seek financial aid for college, but who do not otherwise fit into the mainstream definition of a college student. Consider these statistics:

The span from 1970 to 1993 saw a 235 percent growth in students over age 40.

Over the same time period, the traditional college student cohort (age 18–24) increased by 35 percent.

Forty percent of these students received financial aid, as opposed to only 17 percent of undergraduates over the age of 40.

The U.S. Department of Education is beginning to identify potential alternatives to providing student aid to those enrolled in online programs. In October 2000, it convened dozens of representatives of traditional and nontraditional postsecondary institutions, higher education associations, and the student financial aid sector to address alternatives to the 12-hour rule. The Department's position has been that a wholesale elimination of these rules would leave the door wide open for abuse—and the history of the Title IV program has been marked with such episodes. Instead, the Department is seeking to identify alternatives to current regulation, and assess whether or not they may be more appropriate than current seat-time measures. The Department holds strongly to the belief, however, that rules of some kind are necessary under any circumstance.

Institutions take a different position. Many question the need for the Department to be involved on the regulatory side at all since these institutions already are subject to two sets of quality controls: approval for participation in the Title IV program and accreditation and licensure. They argue that if the problem is with accrediting agencies that are not organized to assess quality effectively in an online learning setting, the answer is to reform the accreditation process, not add another enforcement layer upon postsecondary institutions.

The University of Phoenix, among the nation's oldest distance learning proprietary institutions, offered the following recommendations in support of this view:

Rely on the accrediting bodies to make determinations about the quality of online distance learning programs and encourage that they hold such programs and providers to the same set of standards that are expected of face-to-face instruction. No less should be expected from these programs, but indeed no more should be expected. If there are flaws in the system of accreditation, then the Department should be directed to review those entities, rather than duplicate the efforts of accreditation.

Re-evaluate the criteria for accreditation. By statute, accrediting bodies are required to evaluate certain elements of an institution in making accreditation decisions. Most of these factors are input-based and have little demonstrated relationship to student learning. Accrediting bodies should be required to focus on outcomes and it is only in this way that any meaningful evaluation of web-based education can be made.

The Department is hosting several working groups with the higher education community

to focus on student aid funding for online programs, alternative input and output measures of online quality, and the role of accreditation in assuring academic integrity in the Title IV program. A result could be a statement of the problem and potential alternatives to be considered by Congress and/or Department regulators.

Additionally, the Department will analyze the results of the Distance Education Demonstration Program authorized by the Higher Education Act Amendments of 1998. This program exempts 15 institutions and consortia of institutions from the different rules and regulations limiting student financial aid for online postsecondary learners. The goal is to encourage distance education providers to experiment with alternative measurements of online quality and gather data on the success of these alternatives. The results will be presented to Congress along with any proposed changes the Department recommends in this area.

BAN ON INCENTIVE COMPENSATION PLANS

In 1992, Congress prohibited colleges and universities that participate in the federal student financial aid program from paying any commission, bonus, or other incentive payments to third party entities based directly or indirectly on their success in helping to secure enrollment of students.

The provision was enacted to protect students against abusive recruiting tactics, although the law is now being interpreted to apply to the enrollment of students via ''Web portals.'' These online ''Yellow Pages'' are commonly financed through the use of referral fees and tuition-sharing agreements. Although not the original intent, the language of this restriction effectively bars higher education institutions that participate in Title IV from using third-party Web portals to provide prospective students with access to information about many institutions or provide the same services as institutions offer on their own Web sites—that is, information and application processing.

Current federal regulations permit an institution to use its own Web site to recruit students. However, if the institution pays a Web portal to provide the same passive, asynchronous service, and that payment is based on the number of prospective students visiting the site who ultimately apply or enroll, the institution is at risk of losing its Title IV eligibility. Higher education groups have asked the Department to consider changing regulatory language, reflecting the growing reliance of higher education consumers on Web portals. However, the Department has concluded that this provision could only be changed through new legislation.

COPYRIGHT PROTECTION: HORSE AND BUGGIES ON THE INFORMATION SUPERHIGHWAY

''The primary objective of copyright is not to reward the labour of authors, but [t]o promote the Progress of Science and useful Arts. To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work. This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art.''

''In a digital age, the organization of data and editorial function of summarizing, hyperlinking, and relating diverse sources of data to meet specific ad hoc needs adds value to content, and represents an emerging class of intellectual capital that goes beyond the concept of 'derivative works' or similar earlier classifications . . . The Internet turns 'consumption' of electronic media into a Breeder Reactor scenario for knowledge building. Effective use of these materials results in additional fuel to power learning in the classroom.''

Mr. BOEHNER. Madam Speaker, I ask unanimous consent to yield the balance of my time to the gentleman from California (Mr. MCKEON) to control the time.

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

There was no objection.

Mrs. MINK of Hawaii. Madam Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. Madam Speaker, I rise in support of this bill because I believe it properly reconciles two forces in our new world that need to be reconciled. The first is that people are very busy living their lives, working their full-time jobs, dealing with the needs of their children, dealing with their household needs. We are all stressed and pressured and do not have a lot of time.

The second reality is almost everyone in almost every job needs to continuously upgrade his or her skills and keep learning. So how does one keep learning? How does one go back to school if one has responsibility for children and work and household stresses.

Madam Speaker, one of the ways that more and more people are doing this is by learning online, by taking advantage of this virtual university that is being created around America and around the world. Unfortunately, the financial aid rules that confront people today unduly restrict many people from participating in this virtual university. The purpose of this bill is to open the door of the virtual university for those who must depend upon financial aid.

I have listened very intently to the concerns of the gentlewoman from Hawaii (Mrs. MINK), and I must say no Member of this House is more responsible for the success that we have had in greatly reducing defaults than the gentlewoman from Hawaii (Mrs. MINK). When I arrived in this House 11 years ago, we were spending $5.3 billion a year on unpaid defaulted student loans.

□ 1200

The gentlewoman from Hawaii was one of the leaders in 1992 and then again in 1998 in enacting some major changes in the law, and the result of those changes has been that the cost of student defaults is now below $1 billion per year. I applaud her for her leadership in that area.

I come to a different conclusion about the impact of these changes, however. I think that the changes that are made are inconsequential to dealing with the default problem. I think the remaining provisions that the gentleman from Georgia (Mr. ISAKSON) made reference to will continue us on the track of minimizing or even eliminating defaults. And I think the value of opening the doors to America's virtual university makes it worthwhile to support this bill.

Mr. MCKEON. Madam Speaker, I yield 3 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), a distinguished member of the Committee on Education and the Workforce.

Mrs. BIGGERT. I thank the gentleman for yielding me this time.

Madam Speaker, I rise in strong support of H.R. 1992, the Internet Equity and Education Act of 2001. The adult student, or the nontraditional student, is the fastest growing population of students in higher education. These students have different needs and different pressures than the traditional student. Many have families and jobs that require much of their time and attention. American universities and colleges have been working diligently to meet these unique needs of this student population by using technology and advanced telecommunications, including the Internet, to make it easier to attend and participate in classes while ensuring program integrity. Their successes have been acknowledged by recognized accreditation bodies. That is great. America needs an educated populace. America needs an educated workforce. American colleges and universities should be rewarded for developing new and innovative ways to remove the barriers that prevent people from obtaining an education.

Unfortunately, accredited American colleges and universities have been punished by outdated and outmoded Federal regulations. These regulations limit the number of distant learning courses a college or university can offer. They define the academic year and academic week in ways that never contemplated advancements in technology and distance learning. As a result, one college located in the district I represent may have to return a significant portion of its title IV funds because it offers distant learning courses that do meet the needs of many students but do not meet outdated Federal regulations.

This bill corrects the inadequacies of current regulations. It gives American colleges and universities the flexibility to provide educational opportunities to students who would not otherwise be able to pursue higher education, and it does so while maintaining fiscal and program integrity in Federal financial aid programs.

In 2 years, Congress will reauthorize the Higher Education Act. By making these improvements now, Congress will have an opportunity to review their success and effectiveness in just 2 short years. With technology and the Internet changing the landscape of higher education so quickly and so often, Congress needs to act now. The Internet Education and Equity Act is a step in the right direction. I urge my colleagues to support this legislation.

Mrs. MINK of Hawaii. Madam Speaker, I am happy to yield 4 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. I thank my colleague and ranking member of the subcommittee for yielding me this time.

Madam Speaker, this is not an argument about whether we will move forward or not. This is an argument of just how we will move forward. Everybody seems to understand what the purpose of the two rules, the 12-hour rule and the 50 percent provision, are. The question is how are we going to deal with those issues as we move forward. How are we going to assure that there are standards adequate to ensure our students a good quality education and protect the financial aid money over which we are the stewards.

Nobody really disagrees with the fact that the 12-hour rule and the 50 percent provision need to be addressed. Some time ago, in 1998, when the Higher Education Act was being reauthorized, the now chairman of our subcommittee showed his leadership by saying we should have a demonstration program. Now he has changed that and his leadership is taking us in a different direction, but some of us would like to stay the course. As the stewards of this financial aid money, it made sense that 25 institutions would start on a demonstration program and gather the data and the information we would need to determine what would replace the 12-hour rule, what would replace the 50 percent provision, what is it that we would have there as a standard that our students would always feel comfortable they were getting a quality education, and just how is it that we would know as a Congress that we were wisely spending this money going forward.

It is one thing to say that the protection is that these moneys are only going to accredited schools, that would be great, because some schools truly do set strong quality controls in distant learning courses. But unfortunately not all of them do. And, in fact, most accreditation bodies have not addressed this issue, have not determined and laid out quality and standards for what would constitute a good distance learning course over the Internet. So as Congress, that is not our job. We generally look at those accrediting agencies and look at their guidance. They have not set it yet. I would suggest that they are waiting for the demonstration program results of the Department of Education's program that was supposed to gather this data and gather the information so that we could protect that money and protect the students.

Distance learning is not standing still while we debate this issue and while we wait for that demonstration to give us results and information. It is continuing on at many colleges and universities, some in my own district and in the State for sure, but the fact of the matter is having learned once in our history of what can happen when you have correspondence courses that get out of control and find out too late that money that is very scarce, money that students who do not have the resources of other wealthy students need in order to get their education, if that is gone by the time we correct this problem, we will have wished that we stayed and got the results of those demonstration programs and moved forward only on that basis.

Is no face time, face-to-face interaction with instructors or with other learners the best idea? Does the age and life experiences of the type of materials being taught have any impact on whether or not some class time is needed traditionally, or whether it can all go over the Internet? Is there no role for visual and verbal interactions in a social setting as part of the learning environment? Those are questions that have yet to be addressed and need to be addressed at many of the institutions that want to offer these types of courses.

We have these demonstration programs out there. We have a reauthorization coming up in just a couple of years. It was originally the intent of this Congress that we allow those 25 institutions to provide that demonstration, to give us the information and data upon which we could make sound and reasoned judgments. While the commission has attempted to point us in the direction saying these issues need attention, we know that. And while the gentleman from Georgia (Mr. ISAKSON) and others, I think, are doing a noble thing in trying to move forward, speed is not always the best process. I say nothing is stopping people from offering these courses, but what is happening is we are being stopped from basing our decisions on what the quality of those courses will be and what the protection for scarce resources and financial aid will be if we move forward precipitously.

Madam Speaker, we need to know that we are doing the right thing. Let us wait for the results of those demonstration programs and let us move forward on the substitute amendment that the gentlewoman from Hawaii is putting forward.

Mr. MCKEON. Madam Speaker, I yield myself 30 seconds to respond to my good friend from Massachusetts on his point on waiting for the demonstration project.

The Department of Education, who is administering the project, has the first year's report and they support the bill. They found no problem in moving forward at this time with the bill.

Madam Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. OSBORNE), a distinguished member of the Committee on Education and the Workforce, a new member of the committee who comes with great expertise. We called him, for many years, Coach.

Mr. OSBORNE. Madam Speaker, I rise in strong support of H.R. 1992, the Internet Equity and Education Act. I would like to thank the gentleman from Ohio (Mr. BOEHNER), the gentleman from California (Mr. MCKEON) and the gentleman from Georgia (Mr. ISAKSON) for their efforts in crafting this bill.

Madam Speaker, I represent a very large district that is roughly 350 miles by 250 miles. It is relatively sparsely populated. I think the largest community is about 35,000 and it goes down very quickly from that point on. And so many of the people in my district, as a matter of fact probably the majority, live some distance from the nearest institution of higher learning. Many of them live 100, 150 miles from the nearest college or junior college and so distance learning has become critical for them.

Many nontraditional students, as my colleagues know, work full-time jobs. We also find that students in many small rural schools are able to get some specialized education that they cannot otherwise get through distance learning. So if you want to take advanced physics, French, German, or English as a second language, it is almost impossible for these students to get this type of education and instruction unless they do it through distance learning. We find that that has been very critical.

Another thing that is very important in rural areas has been the issue of rural health care. We have a tremendous shortage of nurses. Everybody in the country has a shortage of nurses, but it is particularly critical in rural areas. And so we have found that nurses who are employed full time are able to take courses, upgrade their status, sometimes get their degrees, advanced degrees through distance learning, and that has been very, very important to us.

Finally, let me just point this out. We have one university in the State of Nebraska that offers an accredited degree in pharmacy. And so if you are living out in Scottsbluff, Nebraska, 450 miles away, and you want to get a degree in pharmacy and you have to drive to Omaha, that is about a 10-hour drive. That means every time you go sit in that classroom, you are taking 2 days off from work, one day to go down there, one day to come back, maybe sit there at night. Therefore, we find that this has been onerous. In this sense I think waiving the 12-hour rule is very important for people who have to drive long distances and particularly to get specialized degrees.

Mrs. MINK of Hawaii. Madam Speaker, I am privileged to yield 4 minutes to the gentleman from California (Mr. GEORGE MILLER), the ranking member of the Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. I thank the gentlewoman for yielding me this time.

Madam Speaker, I rise in support of this legislation. As has been pointed out by my colleagues, this legislation would repeal the 50 percent cap. It would eliminate the 12-hour rule. And it would clarify the restrictions on commissions paid for student recruiters.

The concerns that many of my colleagues have raised, I think, are valid. I think we are all aware of them. We have tried to address them in this legislation and also with expressing our

concerns to the Department. It was not that long ago, and obviously many of my colleagues will remember this, the fraud that plagued the student aid programs, where we saw people organizing themselves in a manner to get young people to apply for student aid and had no intention of delivering them an education. We spent a long time changing that program and the gentlewoman from Hawaii was one of the leaders in that effort to do that. But I think this is a different kettle of fish in the sense that I believe that what we are trying to do is recognize the reality of what has taken place in the area of distance learning and recognizing that, in fact, the rules that we are waiving here really have very little to do with increasing the risk to the aid programs.

We have also made it very clear that those programs, if the Secretary thinks they need to, can require the 50 percent rule if he finds there is a significant risk of fraud or abuse. Schools have to notify us if they are going to not meet the 12-hour rule.

We have also accepted in the committee the amendment of the gentleman from Oregon (Mr. WU) to provide for the assessment of this program as we go forward.

But I think, in fact, what this will allow us to do is to go forward in real time to allow the maximum amount of flexibility and utilization of this program that really offers great promise to students in so many different settings, whether they are working full time or part time or whether they are just beginning their education, or even, in a number of instances, young people in high school who want to try to get some of their lower division units out of the way can do it by distance learning and have no opportunity to go to that university because they live in rural areas or isolated areas. I think we ought to make sure that we give them that opportunity.

Colleges still must be certified as nonprofit accrediting associations recognized by the Secretary and still have to be State approved and licensed. The default rates have been addressed. So I think we have put together a pretty good bill.

I think, also, it is pretty clear that the current rules and regulations really did not contemplate the vast use and opportunity of the Internet as we now know it. I think the members of this committee have also understood and we have made it clear to the Department of Education, to schools and to States and others that we are taking some risk here.

□ 1215

We are going to be paying attention and we are going to be watching to see what happens here. Many Members have spoken about the reauthorization coming up in 2003.

I think this legislation will give us an opportunity to see exactly what is taking place on the ground. If there are abuses, we will have the opportunity in a timely fashion to address those abuses; but we cannot deny the importance that distance learning is playing every day in all of our universities. From the great private universities, to the public universities, to community colleges, to trade schools and to others, this is an opportunity for so many people to have access to an education, where before they simply would not be able to get there or they would have to give up income to their families to participate in it.

I would hope that we would pass this legislation. I would say, however, that I think the concerns that are being raised by Members on my side of the aisle are valid concerns, and we have got to pay attention to them. If people are going to take advantage of this, we ought to make sure that that not be allowed to continue and that we correct those, if that should happen.

Mr. MCKEON. Madam Speaker, I yield 2 minutes to the gentleman from Delaware (Mr. CASTLE), the distinguished chairman of the Subcommittee on Education Reform.

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

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

Madam Speaker, I rise in very strong support of this legislation. I believe that Senator KERRY and the gentleman from Georgia (Mr. ISAKSON) did a wonderful job with the study of this. I would just point out, I will not submit this for the RECORD, but I would submit to Members in the present edition of U.S. News & World Report of October 15, about a third of that magazine is filled with eight articles about Internet education, warts and all, about what we are doing. It just confirms what the gentleman from Georgia (Mr. ISAKSON) said, and that is that we are probably a little bit behind in doing what we are doing in this legislation.

I think when they put together their group which studied this program last year and what we had to do and then came up with the Internet Equity and Education Act with all the aspects of this, we are merely playing catch-up, and perhaps that is what we should be doing, as opposed to what is in the marketplace.

A lot of people are being educated by the use of these programs. A lot of very good educational institutions, including the best colleges and universities in this country, as well as some high schools, are now putting out course activities over the Internet. This gives everybody the opportunity to be able to take full advantage of this. The Web-based Education Commission I think has done an exceptional job in doing that.

I think it levels the playing field between some regular education and this. Frankly, I for one as one who was never exposed to this education, when I was in school there was not an Internet, I believe very strongly after all my reading and talking to other people, some of these courses are every bit as demanding as the courses that you would take in person. They can be just as instructional.

For all these reasons, I think this is a fine piece of legislation and something that should be hopefully supported by virtually all Members of this Congress. I would encourage support of the legislation by all of us. If one has any doubts about it, read about it; and I think after they have done that, they, too, will support this legislation.

Madam Speaker, I am pleased to rise in strong support of H.R. 1992, the Internet Equity and Education Act.

I would like to commend the gentleman from Georgia (JOHNNY ISAKSON) both for his leadership in seeking new ways to expand and improve learning opportunities and for the legislation before us today.

In November 1999, the Web-Based Education Commission was established to develop policy recommendations designed to maximize the educational promise of the Internet.

Chairman Bob Kerrey, former Senator from Nebraska, and Vice Chair JOHNNY ISAKSON met with hundreds of education, business, and technology experts and, based on these meetings, produced the most comprehensive report ever written on the impact of web-based learning on education.

Most significant, the report focused on how to move the Internet ''from promise to practice'' and it identified laws and regulations that blocked access to online learning resources, courses, and programs.

Today, we take the first step in removing those obstacles and supporting ''anytime, anywhere'' learning with H.R. 1992.

Among other things, the bill:

Expands access to higher education by modifying the rule to allow colleges and universities to offer more than 50 percent of their classes through telecommunications if they participate in good standing in the federal loan program.

Levels the playing field by applying the same requirement—that students attend one day of instruction a week—on nontraditional students as on traditional students.

The bill also provides important protections to maintain the integrity of the instructional programs being offered to students receiving financial aid. And, by acting now, we will have an opportunity to review the impact of the legislation when we reauthorize the Higher Education Act in 2003.

I believe this legislation will do much to enhance learning and I am pleased to support its passage.

Mrs. MINK of Hawaii. Madam Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. PAYNE).

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

Mr. PAYNE. Madam Speaker, I rise today to voice my concern regarding H.R. 1992, the Internet Equity and Education Act of 2001. With life's demands and responsibilities, those who seek to improve their skills and advance their education are seeking alternatives to traditional colleges and universities. As we move into the 21st century, the Internet has proven to be a useful and

powerful tool in providing distance learning courses across the Net.

While I do strongly support nontraditional schools and the use of the Internet in education, H.R. 1992 eliminates the protections implemented several years ago to protect against abuse and fraud and unadvisedly impacts on the expansion of distance learning.

During congressional hearings before my committee several years ago, case after case revealed fraud and abuse, especially from for-profit and correspondence schools. Students were subject to aggressive and deceptive recruiting tactics. They were enrolled in classes they did not want and need. They had instructors that were not even there and that many times were inept and did not show up.

To add salt to the wound, the same students who took out loans to pay for useless education were harassed and ultimately sued because of defaults on loans. Some proprietary schools in my district encouraged students to apply to their schools for loans far beyond their needs were recommended. Equipment and tuition costs were taken out first. In many instances, students stayed there for several years, gaining no real education or skills, but then were asked to repay these loans and harassed.

The committee recognized in 1998 a need to enact a 12-hour rule to ensure that nontraditional programs offered the same amount of instruction as traditional schools. Right now, H.R. 1992 offers no guarantee to make certain the amount of educational instruction is comparable and sufficient.

We must not move in haste to change provisions that have contributed to the reversal of high-default loans of the 1990s. These safeguards have contributed in ending deception and fraud and created a standard that has ensured a quality education for all students.

The substitute offered by the gentlewoman from Hawaii (Mrs. MINK) will help distance education grow, but to grow in a proper sense; to grow so that it is not fraught with fraud. We need to protect against abuse; and if we have the abuse, we need to be careful that aggressive recruiting tactics as we saw in the past are not included.

Therefore, I strongly urge support for the Mink substitute to this premature bill.

Mr. MCKEON. Madam Speaker, I yield 4 minutes to the gentleman from Virginia (Mr. GOODLATTE), a new member of our committee, not a new Member of Congress, a member of the Committee on Education and the Workforce.

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

Madam Speaker, I rise today in strong support of H.R. 1992, the Internet Equity and Education Act offered by my friend, the gentleman from Georgia (Mr. ISAKSON). I commend the gentleman and the gentleman from California (Chairman MCKEON) and the gentleman from Ohio (Chairman BOEHNER) for their work in moving this important legislation through the subcommittee and the full committee. They have the far-sighted appreciation for what Web-based education promises people all across this country, especially people in a district like mine, which comprises a vast rural area and smaller cities, and especially people in innercities. This is a tremendous opportunity to bring educational opportunities to the people.

As many of us know, the gentleman from Georgia (Mr. ISAKSON) dutifully chaired the Web-based Education Commission that was authorized by Congress in 1998. This commission was charged with discovering how the Internet was being used to enhance learning opportunities for all, no small duty, considering the rapidly changing environment of the Internet and different learning experiences for students of all ages.

As elementary and secondary schools experience growing enrollments, shortages of teachers and higher demands, college campuses also face obstacles. Many colleges in my district face ever-increasing growth in student enrollment. All of these institutions seek to provide access to the Internet and tools for the information age. Unfortunately, the Federal Government has struggled to establish a framework that accommodates the future of the Internet for post-secondary institutions.

Madam Speaker, today Congress has the ability to knock down barriers that limit access to higher education. This bill will expand opportunities for nontraditional students and give other students greater access to the availability of post-secondary education programs.

H.R. 1992 will allow institutions to offer more than 50 percent of their classes by telecommunications. While opponents fear abuse of the system or fraud by negligent institutions, the Committee on Education and the Workforce came up with a good solution to this concern. This 50 percent rule will only apply to programs whose student loan-default rate is less than 10 percent for the 3 most recent years.

H.R. 1992 also allows institutions to notify the Secretary of Education if they intend to offer an eligible program with less than 12 scheduled hours of instruction per week. This provision will eliminate a Department rule that established a Federal standard for classroom instruction. This change only seems necessary due to the changing landscape of distance learning and post-secondary education.

Madam Speaker, when the regulatory process fails to address the needs of a changing environment, it is Congress' duty to step in and make necessary changes. H.R. 1992 addresses these needs and does so in a way to ensure accountability.

I ask my colleagues to support this legislation and to oppose the substitute.

Mrs. MINK of Hawaii. Madam Speaker, I am privileged to yield 3 minutes to the gentlewoman from California (Mrs. DAVIS).

Mrs. DAVIS of California. Madam Speaker, I rise in support of the Mink amendment. I am a strong supporter of extending educational opportunities for nontraditional students through distance learning. Academic institutions that meet current requirements are dramatically extending their options, and that is a good thing, and I strongly support that.

So why am I rising on this amendment? Well, it is really a question of consumer protection. We need to make sure that the students who are paying tuition are getting a quality academic program, because when they do not, when they do not get that quality academic program, they default on their education loans; and we have a responsibility to guarantee academic integrity so that we limit those defaults.

We must avoid fraud, and it has been mentioned here there are some ways that the bill is dealing with that. But we need to avoid that fraud. Right now we do not really have any definition of what that is. We need to avoid abuse by reducing the requirement to one log-on a week, and we have to develop a consensus on how we change this standard. I would suggest that that standard is really not in play today.

The whole issue of whether or not the military and the extension programs provided for the military are in jeopardy here, I would submit to you they are not. The Army and Navy have long had academic programs under the present distance learning rules with quality programs and institutions; and I just am delighted to see the way in which those programs have developed. I know many, many individuals from San Diego serving on ships take advantage of those programs today.

Extension of these programs is not jeopardized by this amendment. We should be more concerned about assuring the quality of education for our military and continue to support quality programs such as they have today. They will not be jeopardized by this amendment.

The 50 percent rule has served as a filter to developing businesses that are primarily profit-centered rather than extensions of opportunity for valid economic experience. We do not want to allow marketing with bounties.

The pilot project that we have been talking about should be honored in the next 2 years, so we can really consider its results when the reauthorization of higher education occurs. That is what they were instituted for, and that is how we need to look at them.

Congress has the responsibility to assure high-quality education and the expansion of distance learning programs. That is what we are all about today. I appreciate all the hard work that has been put into this bill. Programs that are academically reviewed by their accredited institutions assure comparable quality to on-campus programs. They provide the standards that

students expect when they pay federally funded tuition.

Mrs. MINK of Hawaii. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, I want to thank all of my colleagues who came to the floor to debate this very important bill. I will take the opportunity to offer my substitute next, where we will have a larger opportunity to expand on it.

Again, I hope that the bill will be defeated, and for good reasons. As the trustees of the Student Financial Aid Program, we have a special responsibility. I look upon this legislation as threatening the stability that we have earned and gained as a result of the protections that we instituted in 1992.

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

Madam Speaker, I would like to take some time to respond to the concerns that have been raised by my good friend and ranking member on the Subcommittee on 21st Century Competitiveness, the gentlewoman from Hawaii (Mrs. MINK), about the need to make these changes now, just 2 years before we start to reauthorize the Higher Education Act.

□ 1230

In a hearing before the Subcommittee on 21st Century Competitiveness, Dr. Stanley Ikenberry, then president of the American Council on Education, now a professor of political science at the University of Illinois, testified that Congress should quickly consider H.R. 1992, as the Department has been unable or unwilling to make changes as part of the regulatory process. By making the changes now, Congress will have 2 years to monitor the impact of the amendments and can easily make any necessary mid-course corrections as part of the coming reauthorization.

More importantly, Mr. Ikenberry stated, ''We need to make the changes now, because distance education is changing the postsecondary education landscape so quickly. If changes are not made now, we will have to wait until after the higher education reauthorization and, most likely, until after the rulemaking process that follows a reauthorization. This could easily mean a delay of 4 or 5 years.''

Mr. Speaker, 4 or 5 years to a 17- or 18-year-old, they could lose their whole education process during this period of time; and I think it is very important that we are expeditious. Mr. Ikenberry's most compelling case to enact legislation now is the fact that we have the opportunity to gather needed information to address this issue for the next reauthorization. It will help us in that process.

At the same time, we have an opportunity to expand access to higher education to those with the most need and to those who cannot afford to take classes on a traditional quarter or semester basis. I encourage my colleagues to strongly support and vote for H.R. 1992.

Mr. WU. Mr. Speaker, we are witnessing the birth of a new technological era.

Today, our lives are connected to computers more than ever before. We have them in our homes and offices. We even have them in our cars. Today, our cars have more computing power than the Apollo spacecraft.

Tomorrow, we will be even more reliant on these powerful machines.

As our lives become more intertwined in technology, so does our education.

Technology is transforming our colleges and universities and changing the way we teach and learn subjects. In just three years, the number of distance education courses offered by two and four years institutions increased from 24,703 in 1995 to 52,270 in 1998.

The Internet has provided us with an alternative way to take and receive classroom instruction.

The power of distance education is exciting. Now, people who did not have access to a college or university can earn a degree by turning on their computer.

I agree that we need to help our colleges and universities offer more distance education courses. One of the ways to do this is to ensure that students who study through distance learning have the same access to student aid programs.

However, it is important that we also maintain the protections that are built into the law to prevent fraud and abuse.

I applaud Representative ISAKSON for taking the lead on such an important initiative, and I am grateful for his willingness to work with me to address some of my concerns.

Accordingly, by working with my colleagues, I was able to get language in this bill requiring the Secretary of Education to issue a report on the impact of this bill in March 2003.

Specifically, the Secretary must report on the effect this legislation has had on education program integrity. If abuse happens, we will know about it and will be able to address it.

The Secretary must also report on the outcomes for students enrolled in distance education or correspondence education courses. Specifically, the Secretary must report on the graduation rates, job placement rates, loan delinquencies and default rates of the students involved in distance education.

This is not an empty promise. It will help us ensure that students enrolled in distance education courses are receiving a quality education. It will help ensure that the schools offering these courses are not abusing their privileges. And most importantly, it will help expand distance learning opportunities and open a door to a brighter future for countless students.

It is imperative that we preserve the quality of education being offered our students. These changes guarantee such quality.

I support this bill. I support distance education.

As our society becomes more technologically advanced, so should our classrooms, courses, and teaching methods.

Mr. HINOJOSA. Mr. Speaker, I rise in support of H.R. 1992, the Internet Equity and Education Act of 2001. First I want to thank Chairman BOEHNER and Subcommittee Chairman MCKEON for supporting and guiding our Committee efforts on this bill. I certainly want to recognize and congratulate my friend and colleague who authored the bill, JOHNNY ISAKSON.

This bill will help to expand access to higher education for many Americans who may or may not be able to attend a postsecondary institution for a variety of reasons. By supporting this effort we will encourage non-traditional students to use technology, and give potential students greater access to information on the availability of postsecondary education programs.

I have listened carefully to the comments on both sides of the aisle regarding the issues on the potential risks to the quality of instruction and to maintaining a certain level of fiscal integrity for student financial aid. There were some incisive issues raised on incentive compensation as well as in the accreditation arena.

My own criticisms included the lack of minority participation in the on-going Department of Education study on distance education. In this regard, the Committee leadership has agreed with my request for a study by the General Accounting Office to focus on aspects of the bill and the status of distance education among Minority Serving Institutions.

We want the results of the study to supplement the findings of the Department of Education study on these issues.

I have a deep respect for Mr. MILLER and the members of our Committee who offered strong views on the pertinent issues in the bill. While not all amendments were accepted, a certain number were included in order to strengthen the bill.

These issues should be revisited during the pending higher education reauthorization. We can also reasonably argue that if we monitor the provisions in this bill, we will have much better information to guide us during the reauthorization.

I know that the author of the legislation wants to increase distance learning opportunities for many who have been overlooked and I join him in his effort. I urge all my colleagues in the House to support this bill.

Mr. KIND. Mr. Speaker, I rise today in support of the Internet Equity and Education Act, H.R. 1992. There is vast potential for distance learning to transform higher education. Used properly it could improve the quality and affordability of higher education and life-long learning programs. Further, online education could expand access, particularly to individuals with disabilities and those isolated in rural communities.

H.R. 1992 would lift financial aid limits for students enrolled in courses through telecommunications, reduce funding limitations for correspondence courses, and repeal the ''12 hour rule,'' a regulation that governs the amount of time students must spend in class per week. By updating these regulations, Congress acknowledges the increased role of technology in our education system. It is important for Congress to work with institutions of higher education to expand opportunities to all students through the emerging field of distance learning.

While distance education opens new doors, it also creates new challenges to ensure the integrity of the student financial aid programs. We don't want to return to the days of fly-by-night schools that took student financial aid dollars money but failed to provide the students an education. I appreciate Mr. ISAKSON's

and the majority's willingness to include safeguards in H.R. 1992 to curtail the potential for fraud and abuse in the student aid programs.

Mr. Speaker, higher education is a key tool of success in our society. Distance learning provides increased opportunities for those who face barriers in the pursuit of higher education. We must not let obsolete rules and regulations deny individuals access to higher education and life-long learning programs. I urge my colleagues to support H.R. 1992.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition to H.R. 1992, the Internet Equity and Education Act of 2001. This is a bad bill because it is a failed attempt to implement the recommendations of the Web-based Education Commission. H.R. 1992 suggests that face to face interaction with an instructor does not matter in education.

Mr. Speaker, distance learning can be a great asset as long as academic decision making is placed in the hands of teaching professionals rather than corporate marketing professionals.

I believe that students benefit more when there is considerable face to face interaction with instructors. Creating situations in which students and teachers work together in the same physical location over a period of time is a critical component of a successful higher education environment. H.R. 1992 minimizes this principle by eliminating the requirement that students enroll in at least 12 hours of face to face coursework to receive full federal student aid.

Also, Mr. Speaker, H.R. 1992 ends the 50% rule under which institutions must offer no more than half of their coursework by distance education in order for their students to receive federal student aid.

These rules were put in place for a number of reasons, which protect the integrity federal student aid program. First, these rules were put in place as protections against fraud and abuse in the federal aid program. Cases of fraud and abuse were widespread and were the subject of congressional hearings. Those who benefited included for-profit schools and correspondence schools. While not perfect, these rules have protected the federal student aid program as well as promoted ''same-time, same-place'' interaction as part of a student's academic program.

I urge my colleagues to vote against this bill.

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

The SPEAKER pro tempore (Mrs. EMERSON). All time for general debate has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. MINK OF HAWAII

Mrs. MINK of Hawaii. Madam Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mrs. MINK of Hawaii:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Internet Equity and Education Act of 2001''.

SEC. 2. EXCEPTION TO 50 PERCENT CORRESPONDENCE COURSE LIMITATIONS.

(a) DEFINITION OF INSTITUTION OF HIGHER EDUCATION FOR TITLE IV PURPOSES.—Section 102(a) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)) is amended by adding at the end the following new paragraph:

''(7) EXCEPTION TO LIMITATION BASED ON COURSE OF STUDY.—Courses offered via telecommunications (as defined in section 484(*l*)(4)) shall not be considered to be correspondence courses for purposes of subparagraph (A) or (B) of paragraph (3) for any institution that—

''(A) is participating in either or both of the loan programs under part B or D of title IV on the date of enactment of the Internet Equity and Education Act of 2001;

''(B) has a cohort default rate (as determined under section 435(m)) for each of the 3 most recent fiscal years for which data are available that is less than 10 percent; and

''(C)(i) has notified the Secretary, in a form and manner prescribed by the Secretary (including such information as the Secretary may require to meet the requirements of clause (ii)), of the election by such institution to qualify as an institution of higher education by means of the provisions of this paragraph; and

''(ii) the Secretary has not, within 90 days after such notice, and the receipt of any information required under clause (i), notified the institution that the election by such institution would pose a significant risk to Federal funds and the integrity of programs under title IV.''.

(b) DEFINITION OF ELIGIBLE STUDENT.—Section 484(*l*)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(*l*)(1)) is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION TO 50 PERCENT LIMITATION.—Notwithstanding the 50 percent limitation in subparagraph (A), a student enrolled in a course of instruction described in such subparagraph shall not be considered to be enrolled in correspondence courses if the student is enrolled in an institution that—

''(i) is participating in either or both of the loan programs under part B or D of title IV on the date of enactment of the Internet Equity and Education Act of 2001;

''(ii) has a cohort default rate (as determined under section 435(m)) for each of the 3 most recent fiscal years for which data are available that is less than 10 percent; and

''(iii)(I) has notified the Secretary, in form and manner prescribed by the Secretary (including such information as the Secretary may require to meet the requirements of subclause (II)), of the election by such institution to qualify its students as eligible students by means of the provisions of this subparagraph; and

''(II) the Secretary has not, within 90 days after such notice, and the receipt of any information required under subclause (I), notified the institution that the election by such institution would pose a significant risk to Federal funds and the integrity of programs under title IV.''.

SEC. 3. EVALUATION AND REPORT.

(a) INFORMATION FROM INSTITUTIONS.—

(1) INSTITUTIONS COVERED BY REQUIREMENT.—The requirements of paragraph (2) apply to any institution of higher education that—

(A) has notified the Secretary of Education of an election to qualify for the exception to limitation based on course of study in section 102(a)(7) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)(7)) or the exception to the 50 percent limitation in section 484(*l*)(1)(C) of such Act (20 U.S.C. 1091(*l*)(1)(C));

(B) has notified the Secretary under section 481(a)(3) of such Act (20 U.S.C. 1088(a)(3)); or

(C) contracts with outside parties for—

(i) the delivery of distance education programs;

(ii) the delivery of programs offered in nontraditional formats; or

(iii) the purpose of securing the enrollment of students.

(2) REQUIREMENTS.—Any institution of higher education to which this paragraph applies shall comply, on a timely basis, with the Secretary of Education's reasonable requests for information on changes in—

(A) the amount or method of instruction offered;

(B) the types of programs or courses offered;

(C) enrollment by type of program or course;

(D) the amount and types of grant, loan, or work assistance provided under title IV of the Higher Education Act of 1965 that is received by students enrolled in programs conducted in nontraditional formats; and

(E) outcomes for students enrolled in such courses or programs.

(b) REPORT BY SECRETARY REQUIRED.—The Secretary of Education shall conduct by grant or contract a study of, and by March 31, 2003, submit to the Congress, a report on—

(1) the effect that the amendments made by this Act have had on—

(A) the ability of institutions of higher education to provide distance learning opportunities to students; and

(B) program integrity;

(2) with respect to distance education or correspondence education courses at institutions of higher education to which the information requirements of subsection (a)(2) apply, changes from year-to-year in—

(A) the amount or method of instruction offered and the types of programs or courses offered;

(B) the number and type of students enrolled in distance education or correspondence education courses;

(C) the amount of student aid provided to such students, in total and as a percentage of the institution's revenue; and

(D) outcomes for students enrolled in distance education or correspondence education courses, including graduation rates, job placement rates, and loan delinquencies and defaults;

(3) any reported and verified claim of inducement to participate in the student financial aid programs and any violation of the Higher Education Act of 1965, including any actions taken by the Department of Education against the violator; and

(4) any further improvements that should be made to the provisions amended by this Act (and related provisions), in order to accommodate nontraditional educational opportunities in the Federal student assistance programs while ensuring the integrity of those programs.

SEC. 4. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.

Section 420J of the Higher Education Act of 1965 (20 U.S.C. 1070f–6) is amended by adding at the end the following new sentence: ''If for any fiscal year funds are not appropriated pursuant to this section, funds available under part B of title VII, relating to the Fund for the Improvement of Postsecondary Education, may be made available for continuation grants for any grant recipient under this subpart.''.

SEC. 5. IMPLEMENTATION.

(a) NO DELAY IN EFFECTIVE DATE.—Section 482(c) of the Higher Education Act of 1965 (20 U.S.C. 1089(c)) shall not apply to the amendments made by this Act.

(b) IMPLEMENTING REGULATIONS.—Section 492 of the Higher Education Act of 1965 (20 U.S.C. 1098a) shall not apply to the amendments made by section 2 of this Act.

The SPEAKER pro tempore. Pursuant to House Resolution 256, the gentlewoman from Hawaii (Mrs. MINK) and a Member opposed each will control 30 minutes.

Is the gentleman from California (Mr. MCKEON) opposed to the amendment in the nature of a substitute?

Mr. MCKEON. Madam Speaker, I am opposed to the amendment in the nature of a substitute.

The SPEAKER pro tempore. The gentleman from California (Mr. MCKEON) will be recognized for 30 minutes in opposition.

The Chair recognizes the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today to offer this amendment, which responds to the critical statements that have been made by my colleagues offered in general objection to the enactment of H.R. 1992.

What I have done in my substitute amendment is to restore two of the three protections that I spoke about earlier, the two having to do with the 12-hour rule and having to do with the ban on paying incentive fees and commissions to recruiters for signing up with a student financial aid program. I believe that these two provisions currently in existence are absolutely critical to protect the integrity of the student financial aid program. Therefore, what my substitute amendment does is to restore those to current language by knocking it out of H.R. 1992. It is very simple. I hope that my colleagues are listening to the debate and will come to the floor in support of the Mink substitute to H.R. 1992.

The one provision which I have let stand has to do with the 50–50 rule. What it does there is to say, if the default rate rises above 10 percent that the institutions are no longer eligible for the waiver of the 50–50. So there is recognition that the default rate is critical, and they have imposed that limit in the elimination of the 50–50 rule. I wanted, as I offered in committee, the bar, the cap at 10 percent for all of the provisions, which was refused and defeated in committee. So today I rise to restore those two provisions which are being knocked out by H.R. 1992.

Let me say that this debate is not limited to distance learning. What H.R. 1992 does is eliminate this ban for all higher education; not just for those that are logging in on a program, but everything. We cannot establish this elimination of the 12-hour rule and the ban on incentives for fees and commissions to recruiters unless we affect the entire student financial aid program; and that is what H.R. 1992 does, which I find unnecessary, unreasonable, and not substantiated. So I restore those two provisions.

The 12-hour rule is especially critical because it then establishes the sense of protecting the quality of higher education that a student is to receive. I support the idea that we ought to encourage distance learning. There must be a way in which we could establish the program and the mechanism to count in the number of times that a student logs in to the Web or logs into the Internet for higher education. Certainly that can be done very easily. And, the 12-hour rule can be then certified that the students had interaction with their instructors, that there was a classroom environment in which there was Q and A over subject matter, that there was log-in time for participation between student and professor.

To banish the idea of an instructor kind of environment for higher education, I think, is very destructive to the quality of that education. It is for that reason that the National Educational Association, the American Federation of Teachers, and the American Association of University Professors have roundly denounced the passage of H.R. 1992, because they are interested in quality education, they want to make sure that the students are getting something for the money that they are investing. We are concerned because the money that is being invested in Web-based education on the Internet or laptops or whatever eventually may become a cost factor to the taxpayers of this country under a guaranteed student loan.

So the restrictions that are put in place are not to restrict education; that is the business of the universities and the institutions that are offering it. But, when they want to pay for that education through a student financial aid program that is guaranteed by the Federal Government, then I believe we are entitled to set the ground rules to make sure that quality education is being disseminated and that the student has a chance to repay back that loan without diminishing the Treasury of the United States.

So it is for those two basic reasons that I stand to offer my substitute which deletes these two programs. It is essential that we not interpret this bill as only affecting distance learning. The two provisions that are being repealed from current law affect all of higher education. There will be no more 12-hour rule for every institution of higher learning offering learning to students, either on campus, on a laptop, in whatever setting; and I think that that is a dangerous precedent to set and certainly invites great jeopardy to the student financial aid program.

The 50–50 rule as a limit of any institution going over the 10 percent default cannot take advantage of that repeal. Surely we should have been wise enough to put that kind of limit on the elimination of the 12-hour rule. The incentive ban was the one thing that the inquiry pointed out when they investigated high default rates as singularly contributing to the defaults by students, because they were being gathered to sign up for student aid here, there, or wherever, without reasonable expectation that they would complete their education or that the education being offered was valuable. So what happened? There was an increase in the default rate, it went up over 20 percent nationwide, and we had to come in and take steps necessary to protect the Treasury of the United States. So the incentive ban is absolutely critical. The inspector general of the Department of Education says it is critical, and she spoke against its repeal. So my substitute restores the ban.

Certainly the institutions can find ways in which to enhance the advertising and communication of what they are offering. They should not have to pay commissions and fees to people that are counting the number of log-ins to their advertisements on the Web and luring in students in that way and collecting money from the institution out of our Federal student financial aid programs. I think that that is absolutely the wrong way to go, and I hope that my substitute will be supported for those two reasons.

Madam Speaker, I reserve the balance of my time.

Mr. MCKEON. Madam Speaker, I rise in opposition; and I yield myself such time as I may consume.

Madam Speaker, I agree with much of what the gentlewoman from Hawaii (Mrs. MINK), my good friend, has said. There were some real problems in the past. I think we all agree on that. In fact, I have a little chart here that says, although I do not know if my colleagues can see it over there, but it shows the amount of loans that were made annually in 1990 up through 1999. They went from about $12 billion a year in 1990 up until last year, or 1999, $30 billion. So there was a big increase. A lot more people are taking advantage; a lot more people are needing to participate in the student process.

There were comments made earlier about default rate and how many people were not repaying their loans; and a lot of corrections, a lot of changes were made. This red line shows that the default rate in 1990 was 22.4 percent. We can see how it has dropped each year, this last year, down to 5.6 percent. There have been tremendous improvements made and none of us want to lose sight of that, and none of us want to go back to where we had those kinds of problems again, and that is why we have taken some very good care in preparing this legislation.

At the same time, we do not want to pass up people's opportunities to take advantage of the distance learning that is available. I remember probably over 20 years ago when I served on a local school board, I went to a national conference on education, and the thing that they were saying at that time is that the most futuristic thing, the thing that was really going to happen was distance learning. Well, now it is here; and it is happening. We have to take advantage of it.

Let me read a letter from David Sheridan who is Dean of Enrollment

Services, Chairman of the Federal Relations Committee from the Eastern Association of Student Financial Aid Administrators at Stevens Institute of Technology. I think he has some very cogent remarks on this.

''Dear Chairman MCKEON, I am writing in enthusiastic support of H.R. 1992, the Internet Equity and Education Act of 2001. The '50 percent rule' changes are necessary to take down barriers that would become more of a problem in the future. A few years ago, none of us could envision the way technology would shape education by now, and we lack the same foresight to forecast what will be commonplace by the time today's freshmen graduate,'' 4 years from now. ''The volume of courses delivered via the Web, not to mention the academic acceptance and legitimacy thereof, is only going to grow, and not modifying the law now will lead to roadblocks later. The 12-hour rule is similar in that removing it clears the way for commonsense options for the changing face of higher education today. If the Department of Education's job is to put America through school, Congress needs to change the law so that schools and the students can decide what type of instruction and schedule works best for them. The compensation incentive aspect of the Higher Education Act requires further clarification, so the schools and their employees are not punished beyond what I believe were the intentions of Congress when they wrote this segment of the law.

''As always, I thank you, the committee,'' all of us, ''and your staff members for your tireless efforts on behalf of college students everywhere in America. It is my sincere hope that H.R. 1992 will be passed by the current Congress.''

Madam Speaker, I will insert the above-referenced letter and chart into the RECORD at this time.

STEVENS INSTITUTE OF TECHNOLOGY,
Hoboken, NJ, August 29, 2001.

Hon. HOWARD ''BUCK'' MCKEON,
Chairman, House Subcommittee on 21st Century Competitiveness, Ford House Office Building, Washington, DC.

DEAR CHAIRMAN MCKEON: I am writing in enthusiastic support of H.R. 1992, The Internet Equity and Education Act of 2001. The ''50 percent rule'' changes are necessary to take down barriers that would become more of a problem in the future. A few years ago, none of us could envision the way technology would shape education by now, and we lack the same foresight to forecast what will be commonplace by the time today's freshmen graduate. The volume of courses delivered via the Web (not to mention the academic acceptance and legitimacy thereof) is only going to grow, and not modifying the law now will lead to roadblocks later. The 12-hour rule is similar in that removing it clears the way for common sense options for the changing face of higher education today. If the Department of Education's job is to Put America Through School, Congress needs to change the law so that schools and the students can decide what type of instruction and schedule works best for them. The compensation incentive aspect of the Higher Education Act requires further clarification so that schools and their employees are not punished beyond what I believe were the intentions of Congress when they wrote this segment of the law.

As always, I thank you, the Committee and your staff members for your tireless efforts on behalf of college students everywhere in America. It is my sincere hope that H.R. 1992 will be passed by the current Congress.

Sincerely,

DAVID SHERIDAN,
Dean of Enrollment Services, Chair, Federal Relations Committee, Eastern Association of Student Financial Aid Administrators.

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

□ 1245

Mrs. MINK of Hawaii. Madam Speaker, I yield 5 minutes to the gentleman from California (Mr. BACA).

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

Mr. BACA. Madam Speaker, I strongly support restoring the current language, and I think it is important, but I am in opposition to H.R. 1992.

Madam Speaker, all of us strongly support distance learning, but I am very much concerned about the monies it will take away from our colleges, our universities, and our students who attend them.

I think, as the individual just talked about right now, many individuals are taking advantage of the loans and the opportunities. Why are they taking advantage of them? They have an opportunity to take 12 hours or more, and the equivalencies are there, so students are going to do that.

As we see the increase of our student population, we do not see the increase in funding of the pie. It is important that the funding in that pie be the equivalency. We have not increased it.

We have seen the crises that are here today that are affecting us right now. Education is a high priority for all of us. But are we putting the additional dollars to assure that every student has access to it? No, we are not. I want to make sure that our colleges, our universities, and the individuals who are attending them have an opportunity to receive the funding that is there.

I am also concerned about the digital divide between those who have computers and those who do not. Many individuals do not have access to our computers. I believe that every student should have the ability to be able to have computers and access. When they do, then we are at the same level playing field to assure that everybody has access to high technology.

Until everyone has access, I say, how can we have certain students, individuals who are taking 12 units or less, receive the assistance while the other students are not going to? What effect does it have on the institution? Now when we talk about AFDA, there will be monies that will not go to our institutions that were taken away because instead of having students go there 12 hours or more, they will be taking a few classes to receive the kind of assistance they need, and our institutions then will be penalized.

That is why I am supporting an appropriations request for KVCR district from my area in instructional television. But I am saying, increase the funding. Without the funding it becomes very difficult. All of us are not against distance learning. We believe distance learning is important to all of us. We want to make sure that everyone has the same opportunities.

Our colleges and universities have always been the gateway of opportunity. We should not take funding away from them and hurt lower-income students. That is who it is going to affect, lower-income students at these institutions of learning, and the loan programs that will affect them have always been there. We have to make sure they are there now and in the future as we see the growth in our State colleges and universities.

That is why I stand against H.R. 1992, because I want to make sure that every student has the ability to go. I know that I had that opportunity when I went to a community college and a State college and a university, that the loans were there. I am afraid that those monies will not be available for individuals as we see the increase.

I would have loved to have seen this if we would have had the additional funding tied into that. I would have been one of the strongest supporters, because I believe in distance learning. But the funding is not appropriated toward this bill, and we are going to hurt our State colleges and universities. We want to make sure that everybody has access to our State colleges and universities, and has an opportunity to receive those loans. Many individuals of low income will be hurt because the monies will not be there for them to assure that they have an opportunity to fulfill their dreams and their goals in obtaining their education.

Until we do, I urge a no vote.

Mr. MCKEON. Madam Speaker, I yield myself 10 seconds to respond to my good friend, the gentleman from California (Mr. BACA).

Madam Speaker, the student loan is a mandatory program, and the money will be there.

Madam Speaker, I yield such time as he may consume to my good friend, the distinguished gentleman from Georgia (Mr. ISAKSON).

Mr. ISAKSON. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, I would like to put into a simple context both this 12-hour rule and the incentive compensation, which are the main focus points of the substitute offered by the gentlewoman from Hawaii (Mrs. MINK).

First of all, on the incentive compensation, the bill, which I have before me, and the provisions of incentive

compensation still prohibit, as it did before, paying commissions or inducements tied to a student loan being procured. That is still not allowed, but three exceptions are created. I would like to point out what those exceptions are.

Exception number one is that the prohibition cannot be construed to apply to an institution contracting with a third-party vendor to disseminate information upon which they receive payment, as long as that payment is not tied to the application or the approval of any student loan.

When a layman reads that language, it sounds kind of funny, but it is there specifically because under the current rules application, a university cannot contract with a third-party website provider to disseminate information on available curriculum for distance learning and pay them without being in violation of incentive compensation, because website managers are compensated basically on hits, which is construed by the current interpretation to be a commission. That is a very technical and narrow change which in no way brings about any type of fraud.

Secondly and most importantly, it ensures that the unintended consequence of denying an employee in the student aid office of a university from getting a normal salary raise, that that does not happen.

As many members of the committee are aware, the Department of Education, as it should have, in its aggressive attack against institutions that appeared to be violating the spirit of the laws passed by the gentlewoman in 1992 and by others, aggressively construed the application of incentive compensation in a case to where it actually applied to the raise of an employee in the office who had no responsibility for approval or application or anything else. That was an unintended consequence.

Certainly if one is approving and recruiting and wanting distance learning to be part of our process, as everyone has said, the last thing we want to do is penalize universities from being able to use websites to disseminate information on their courses.

Now, with regard to the 12-hour rule, I used to get real confused by the term ''seat time.'' The distinguished gentleman from New Jersey, being a distinguished professor, knows all about that.

When I took over the Georgia Board of Education, I started dealing with all these 50 minutes for that and 40 minutes for that, and block schedulings, 90 minutes for this, alternate block schedulings for that, and 12-hour rules. I got confused.

Then I all of a sudden realized that those rules were all passed in a time where all of us thought it was important that the student be in the class and there participating in the activity as some barometer of a responsible educational environment.

However, today in the digital world to apply that absolutely inhibits many students, nontraditional, who would never have access to education otherwise, from getting it, because it disallows distance learning. Seat time was just the only way of measurement in the old days.

I used to suggest that we ought to have professor seat time. Most university professors use graduate assistants, and I would like to see us have some rules for how many hours the real professor is in the real class. But we do not, because we trust the institution for the quality of their education. So why should we not trust those same institutions for the delivery of distance learning?

My last point on this, Madam Speaker, the IG has been mentioned two or three times. Some of the specific references, directly or indirectly, were to one particular investigation which ended up vindicating an institution that was alleged to have violated the 12-hour rule. To satisfy the investigation, they produced reams of paperwork that said a student was in a classroom environment, and it was basically attendance rolls.

We must understand the IG's job is now much easier under distance learning than it ever was under correspondence or alternative type of courses, because distance learning allows those inspectors the access to the same course the students take, so the quality of instruction and the amount of use that student engaged in that instruction gets is monitored by the very Internet upon which it is delivered.

So while I respect the gentlewoman's concern, I want to point out to all Members that we are not opening the door for fraud in commissions, we are just making sure that the unintended consequences of past actions are corrected so the Internet itself can be used.

In terms of the 12-hour rule, we are saying we are not going to confuse time with accomplishment. Instead, we are going to monitor education best on what a student achieves, not just how much time they might have sat in a seat.

Mrs. MINK of Hawaii. Madam Speaker, I am happy to yield 5 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Madam Speaker, I thank my distinguished colleague for yielding time to me.

Madam Speaker, the gentleman from Georgia (Mr. ISAKSON), the gentleman from Delaware (Mr. CASTLE), and the gentleman from California (Mr. MCKEON) and others have talked about distinguished schools like Stanford, Georgia Tech, that offer Internet-only courses. I think that is wonderful.

When we talk about the 12-hour rule, we are not talking against Internet-only education. We want nontraditional possibilities.

I am a fan of this. I grew up around this. My father did what was the equivalent in his day. He got his law degree by correspondence school. In fact, I understand the correspondence school spoke with great admiration of the quality of his work in this correspondence school.

Today, it would be by the Internet. The Web-based Commission we have spoken about today as the reason for this bill before us says, ''The question is no longer if the Internet can be used to transform learning in new and powerful ways. The commission has found that it can.''

None of us doubt that. We are not speaking against the virtual university, but we want to make sure that we do not return to the ''anything goes'' kind of regulations.

The great educator, Agassiz, said in the 19th century that a pencil is the best chart. Well, if he were speaking today, it might very well be the computer or the Internet.

But let us not use the name of high technology to discard standards and common sense. I once again ask Members to apply the ''reasonable person'' rule to determine what is common sense: Would a person in our districts say that logging on sometime during the week makes one a full-time student?

Would we be comfortable leaving the door open for any fly-by-night school operator, and believe me, we have seen them, fruit stands that are offering auto repair courses, a school that offered language courses only in one language to students who spoke only another language, or a Texas truck-driving school that lost its eligibility and formed a new partnership with a Kansas liberal arts college. We have seen fly-by-night operators.

Would the reasonable person feel comfortable with potential fly-by-night operators out there being able to offer courses like this and say, we have this many hundred full-time students who are collecting Federal student money and passing it on to this school? It would appear, I think, to open the door for them to take advantage to grab Federal dollars.

And I would argue that even reputable schools would benefit from a definition of a full-time student that brings respect of Americans to this use of Federal funds for student aid, so there is general agreement among educators that 12 hours of seat time is not the only or not even the best measure or criteria for full-time study. I understand that this rule needs to be revised to address the rise in distance education.

The Web-based Commission said it should be revised, but did not recommend any specific change, such as changing the 12-hour rule to a very vague one-day rule. The commission merely encouraged ''. . . the Federal Government to review and, if necessary, revise'' these provisions.

Abruptly changing the 12-hour rule to a one-day rule opens the door for fraud and abuse and a real loss of standards in appropriate use of Federal funds for higher education.

□ 1300

I appreciate the efforts to protect against fraud by requiring notification if a school dips below the 12-hour rule, but this notification will not protect the quality of these programs. That is why I so strongly support the substitute amendment of my colleague, the gentlewoman from Hawaii (Mrs. MINK).

Mr. BOEHNER. Madam Speaker, it is my pleasure to yield such time as he may consume to the gentleman from California (Mr. MCKEON), the chairman of the Subcommittee on 21st Century Competitiveness.

Mr. MCKEON. Madam Speaker, I thank the gentleman from Ohio (Mr. BOEHNER) for yielding the time.

Just to make a couple of points, the Mink substitute would eliminate the needed reforms that we have been talking about for the 12-hour rule. It would eliminate the needed reforms on the incentive compensation provisions. It would gut this important legislation and continue to hinder the ability of institutions of higher education to offer information and instruction to all Americans through the Internet and nontraditional courses.

I urge my colleagues on both sides of the aisle to join with us in defeating the Mink substitute and vote to provide relief to colleges and universities who are working to offer educational opportunities to all students.

Mrs. MINK of Hawaii. Madam Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Madam Speaker, I again thank the ranking member of our subcommittee, the gentlewoman from Hawaii (Mrs. MINK), for yielding me the time.

I just wanted to briefly address this 12-hour rule situation. I think it is interesting to note, I do not think anybody disagrees that that rule needs to be looked at; that it needs to be revised; that 12 hours is not necessarily the measure of the value of quality of an education.

However, I am a bit disturbed, as I think we all should be, that the suggested replacement for that is a sort of vague or incomplete standard of 1 day which, in essence, could be read and could, in fact, be the simple logging on in some part of some day on to a computer Internet program and then qualifying as a full-time student for purposes of financial aid. It fails to address the standard, fails to address what is the quality of a program for which that student would be receiving financial aid and ostensibly working toward a degree.

One of the real criteria here we ought to be looking at is whether or not we are going to be adequate stewards for the way we distribute a very limited amount of money; and while financial aid, as the gentleman from California (Mr. MCKEON) said, will be available, there is only so much available. As more and more people may sign up for these courses, that money is going to be spread across a larger universe.

That is fine if the gentleman from California (Mr. MCKEON) wanted an original 5-year demonstration program and is now satisfied with one and satisfied with the preliminary results, when I suggest that many of us may not be satisfied with the preliminary results. We want answers to questions like what specifically makes this rule of 1 day, which could be construed as logging in for part of 1 day, an adequate standard.

There was no testimony at the committee hearings that we were at that addressed just what would be the proper replacement for the 12-hour rule. I agree we heard people say that it ought to be changed and that we needed a new standard so that distance learning could be encouraged; but I did not hear any testimony, have not seen any reports that have addressed what, in fact, is the adequate amount. Accreditation agencies have not caught up with this concept.

As I mentioned earlier, while some schools may have set good, rigorous standards for a good-quality education, many have not; and many accrediting institutions have not caught up with where this concept ought to be and how it ought to be measured that, in fact, there is a right amount of time of contact with a faculty member or contact with their peers in the classroom.

It would not really address, as we heard evidence on, and got a good and convincing idea of whether or not there should be no visual experience, whether there should be no contact with classmates. Are we saying in essence that we are stepping ahead of those accrediting agencies and deciding that there is no value to interchange and exchange in a classroom with other people in their life experiences and no value to having an exchange with a faculty member and all of their valuable experiences and what they bring to the table?

I think that we can wait for those demonstration programs to be completed as we reauthorize the Higher Education Act. I think we can look at the data and the information that comes forward and that we can then replace this 12-hour rule with a clearer concept of what should be in place.

Must we have face time in order for it to be a good-quality education program? If not, why not? If, in fact, we should have some, how much would be the adequate amount?

I think again that we need not be precipitous here; that we have distance learning programs going on in institutions all over this country, whether they be State schools or whether they be private institutions; and nobody wants to interfere with that, and everybody that I know in this Congress supports that concept.

I would hope that everybody in this Congress also supports the establishment of sound standards to make sure that if we give the right to people to use this financial aid, which is limited in the truest sense, that we do it only toward programs where there are standards set that are sufficient so that those students will know that they have been ensured a quality education; and so that Americans, whose taxpayers' money go for those financial aid obligations, know that they are going for people who are going to get a quality educational experience that they can use to enhance their ability to support themselves and their families and their communities.

Mr. BOEHNER. Madam Speaker, can the Chair notify each side how much time we have remaining.

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from Ohio (Mr. BOEHNER) has 19 minutes remaining. The gentlewoman from Hawaii (Mrs. MINK) has 9½ minutes remaining. The gentleman from Ohio (Mr. BOEHNER) has the right to close.

Mr. BOEHNER. Madam Speaker, I am pleased to yield 3 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), a member of our committee.

Mrs. BIGGERT. Madam Speaker, I thank the gentleman from Ohio (Mr. BOEHNER), the chairman of the committee, for yielding me this time.

I stand in opposition to the amendment. I think that the Mink substitute would eliminate needed reforms to the 12-hour rule and incentive compensation prohibitions within the Higher Education Act. The substitute would really gut this important legislation.

H.R. 1992 eliminates the burdensome requirement that programs offered on the nontraditional basis must account for at least 12 hours per week of seat time for each student. Instead, the bill requires that programs offered on a nontraditional basis be held to the same accountability standards as those offered on a traditional semester-quarter basis.

It further requires schools offering such programs to notify the Secretary to ensure that they are adequately monitored. This is very important, that of requiring institutions that offer such programs to maintain attendance records for every student is overly burdensome and may prevent schools from offering programs to serve working adults or others that cannot attend the traditional campuses on a traditional basis.

At one institution, the 12-hour rule requires an additional 370,000 attendance records per year to be kept just to prove compliance.

It is doubtful that these records would ever even be reviewed. But even with the elimination of the 12-hour rule, institutions offering nontraditional programs will still be held to high standards. They must provide at least 30 weeks of instruction to qualify under the Higher Education Act. Course quality and quantity of instruction are also ensured by accreditors that must be recognized by the Secretary of Education. The law requires these accreditors to review all eligible programs for quality and to ensure

that the amount of instruction is adequate to fulfill the goals of this program.

So I think we have taken certain steps to address the concerns that have been raised on the other side of the aisle. Specifically, we have defined third-party service relationships and specified that they are subject to incentive compensation provisions unless they have no control over eligibility for admission or enrollment or the awarding of financial aid and provided they do not pay any employee solely on the basis of student recruitment. This allows common business practices while preventing schools from hiring bounty hunters.

We have also clarified that a salary payment can only be considered such if it is made on a regular basis and it is not adjusted more than once every 6 months. This will prevent institutions from disguising incentive compensation payments as salary.

Madam Speaker, I think these provisions really provide the quality of education to nontraditional students, and I urge defeat of this amendment.

Mr. BOEHNER. Madam Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. ISAKSON), the author of the bill before us.

Mr. ISAKSON. Madam Speaker, as we close the debate I want to first of all acknowledge my thanks for the work of the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. MCKEON), the subcommittee chairman, the tremendous work by the members of the staffs in this legislation and acknowledge the hard work before the Web-based Education Commission.

In addition, I want to pay particular thanks to the gentleman from California (Mr. GEORGE MILLER), the ranking member, and to the gentleman from New Jersey (Mr. ANDREWS). Their thoughtful consideration of the work that went into the effort behind this bill and the parameters narrowly drawn that we have placed into this legislation allow us to move forward in a digital world and deliver education to those who in the past might not ever have gotten it, while still assuring the taxpayer and those in the educational world that we will not accept fraud. We will not accept abuse. We will merely accept an expansion of opportunity for children and young adults all over America.

Madam Speaker, I thank the Members for the spirited debate. I thank the chairman for the time he has allowed me. I urge my colleagues to reject the substitute and vote for final passage of H.R. 1992.

Mrs. MINK of Hawaii. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I would like to read from portions of the letter that all of us received from the American Association of University Professors urging that we not enact H.R. 1992.

In the second page of their letter it says the AAUP recommends, one, accrediting agencies need to do a better, more specific job defining the elements of higher education. What do we mean by a college degree? How much learning goes into that? How universal are educators' expectations for level and breadth of course work across institutional and regional boundaries? Transfers among institutions and transfers among modes of education make these questions inescapable.

Two, faculty need to define measures of course work. What is a course? How much learning is going on when an student is engaged in full-time education? What is half of that? What is a quarter of that? Since faculty have not articulated this definition so far, others are filling in with their attempts. The Department has a 12-hour rule. Congress is now considering doing away with all measures except those offered by the lowest common denominator of education providers.

Three, the institution of higher education policies engaged in a major study of student credit hours, its uses and effects. By the time the Higher Education Act is due to be reauthorized, this study should yield some thoughtful results. Instead of creating chaos now by lifting all limitations, it seems reasonable to allow study to proceed and to build legislation on its conclusions.

This letter is signed by Mary Burgan, the general secretary of the AAUP. And I think it really tells it all for those of us who have joined together in support of my substitute and who oppose enactment of H.R. 1992.

We certainly believe that the time is here for distance education. Students ought to have ample opportunity to gain higher education credits and courses by signing up on distance learning mechanisms. But at the same time I do not believe that the way to do it is to lift the protections which were enacted into law in 1992 during the higher education reauthorization at that time. We put those protections in because there were skyrocketing escalations of student defaults. And it was determined that some way standards were to be implemented in order to assure stability of the program and adequate quality higher education to the students that were signing up.

The first rule we had was the 50/50, that universities that were accredited could have 50 percent traditional education on campus, instruction on campus, and 50 percent off campus. That rule I believe is fair and should be retained. The bill that we are considering waives this requirement. But at least it has a limitation which says if an institution exceeds a 10 percent default rate, they have cannot use the waiver and they must go back and adhere to the 50/50.

In the case of the 12-hour rule, it is a complete elimination because there is no point in saying a 1-day login constitutes a full-time student. Nobody will accept those definitions. So we think the 12-hour rule gives some substantial assurance that the student is going to get quality education. This does not mean that everybody has to drive to a campus. They can get their learning in the kitchen seated at a table with their laptop, login. There can be requirements on the number of times they log in during the week. There can be a faculty-students interchange. There can be questions that are put on the program to assure that there is a continuum of feedback from the student and from the professor.

And certainly, the programs can be developed which will enable the universities to carefully monitor that there is this so-called seat-time; and 12 hours is the very barest minimum to require of a full-time student to get the full student financial aid program.

□ 1315

The prohibition against incentives, recruitment commissions, and fees, to me, is the most egregious part of this bill, which I strike in my amendment. I want to restore the ban. We should not allow anyone to promote student financial aid and get a kickback fee from the university from the number of loans that are initiated, whether or not the student ever goes.

So it seems to me the ban is a solid protection. I believe it has been primarily responsible for the lowering of student default rates, because there has been careful monitoring of the incentive prohibition. And the inspector general at the Department has been very, very attentive to the requirements of that law. In fact, the inspector general came to the committee and urged that the incentive ban not be eliminated. So that is also part of my substitute.

We restore the 12-hour rule, restore the ban on incentive commissions, and leave the 50–50 rule as presently incorporated in H.R. 1992. I urge my colleagues to come to the floor and vote for the Mink substitute. I believe it is consistent with our responsibility to safeguard the student financial aid program, its financial integrity, and to protect the quality of higher education at the same time.

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

Mr. BOEHNER. Madam Speaker, I yield myself the balance of my time.

Let me thank my colleague, the gentleman from California (Mr. MCKEON), the chairman of the subcommittee for his fine work in moving this bill, this bipartisan bill, through the committee, and thank our sponsor of the bill, the gentleman from Georgia (Mr. ISAKSON), not only for his work in bringing the bill to the floor today but for his service on the Web-based Education Commission, the recommendations from which are the basis of the bill we have before us.

As I said, this is a bipartisan bill. We have worked on it through the committee process. Members on both sides of the aisle supported it coming through the committee, and today, I

believe, we will have broad bipartisan support in defeat of the amendment that we have before us and in passage of this bill.

Now, we have heard an awful lot today about the 12-hour rule, the 50-percent requirement, and the issue of incentive pay for those who are involved in offering these programs. But for a moment, let us step back and consider what it is we are trying to accomplish. We all in this Chamber know the need today for every American to receive some type of postsecondary education. To take a high school diploma into the current job market today is not a ticket for success. Frankly, it is a ticket to go almost nowhere. If every American really wants a shot at the American dream that we have all hoped for, and we hope all our kids and all our constituents will shoot for, some type of postsecondary education and training is absolutely required. Whether it is an apprentice program, whether it is a training program somewhere, a university, or maybe a distance-learning opportunity, we ought to do all we can to encourage students to get postsecondary training or education, and we ought to do everything we can to assist them in getting that type of training or education.

One of the two biggest barriers to getting training or education are simply the cost and the time to do it. Both of those issues are addressed here. We all know of the tremendous cost of a university education. Most of us, and most of our constituents, worked our way through college trying to find a way to afford the cost of a college education. We know today that all types of training programs out there are very expensive. We also know that distance-learning opportunities, in fact, bring down the cost of this education and/or training. So if there is a more reasonable way to provide this education or training, why would we not want to look at it?

The second biggest issue is time. We all know how busy we are. We all know the need for a continuing education, and we all know the demands on our schedule, from our professions to our families to our needs in our own communities. Again, distance-learning opportunities will, in fact, make it easier for people to get their education or their training or, in fact, to continue the opportunity for lifelong learning.

The bill that we have before us today meets all of the things that we are trying to do to help our constituents get the kind of training and education that they want, deserve, and, more importantly, that they need, because the bill before us will make it easier for distance-learning programs to go out and recruit students. The bill will make it easier for them to do this training or education at home or from some separate site via the Internet. And, frankly, the programs they will get and the training they will get will be of much better quality than what we have seen in correspondence classes or programs from in the past, because many universities today are engaging themselves in very serious outreach efforts to make sure that quality programs are out there.

Now, as the gentlewoman from Hawaii mentions, there are risks associated with this. There are. There is no question about it. These programs have been abused in the past. These issues were addressed in 1992 and again in 1996. But I think what has happened is we went too far. Secondly, the technology has far out-paced our ability to legislate. What we have done in this bill is try to balance those risks, to make sure that we are opening these programs up for our students without taking undo risk. I think there is a bipartisan consensus on both sides of the aisle that we have struck the right balance in this bill.

I think there was one more safeguard that we ought to note, and that other safeguard is this: in 2 years, we will be reauthorizing the Higher Education Act. When we get there in 2 years, we will have an opportunity to step back and look at what happened during this 2-year period. If, in fact, things are on the right track or slightly off the right track, we will have an opportunity to adjust it at that time.

So for all of those reasons I think that the bill we have before us is a good bill. I appreciate the work of the gentlewoman from Hawaii, but I ask my colleagues to reject the substitute that we have before us and to support the bipartisan bill that we have on the floor in final passage.

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

The SPEAKER pro tempore (Mrs. EMERSON). All time for debate has expired.

Pursuant to House Resolution 256, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute offered by the gentlewoman from Hawaii (Mrs. MINK).

The question is on the amendment in the nature of a substitute offered by the gentlewoman from Hawaii (Mrs. MINK).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mrs. MINK of Hawaii. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 99, nays 327, not voting 4, as follows:

[Roll No. 374]

YEAS—99

Abercrombie
Ackerman
Baca
Baldwin
Barrett
Berkley
Blagojevich
Borski
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clement
Condit
Conyers
Costello
Coyne
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Edwards
Engel
Etheridge
Evans
Farr
Filner
Gonzalez
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Holt
Honda
Hoyer
Jefferson
Kind (WI)
Kleczka
LaFalce
Levin
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
McCarthy (MO)
McCollum
McGovern
McIntyre
McNulty
Meehan
Mink
Moore
Moran (VA)
Morella
Neal
Oberstar
Obey
Olver
Pallone
Payne
Phelps
Price (NC)
Rahall
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sandlin
Schakowsky
Schiff
Scott
Serrano
Sherman
Slaughter
Stark
Thurman
Tierney
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Watson (CA)
Weiner
Wexler
Woolsey

NAYS—327

Aderholt
Akin
Allen
Andrews
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clay
Clayton
Clyburn
Coble
Collins
Combest
Cooksey
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dicks
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Eshoo
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hayes
Hayworth
Hefley
Herger
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Manzullo
Mascara
Matheson
Matsui
McCarthy (NY)
McCrery
McDermott
McHugh
McInnis
McKeon
McKinney
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Gary
Miller, George

Mollohan
Moran (KS)
Murtha
Myrick
Nadler
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pascrell
Pastor
Paul
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Sawyer
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Towns
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—4

Cubin
Hastings (WA)
Issa
Miller (FL)

□ 1351

Mr. HOLDEN, Ms. SOLIS, Ms. LEE, Ms. KAPTUR, Mr. HILLIARD, Mr. THOMPSON of Mississippi, Ms. MCKINNEY, Messrs. RADANOVICH, ORTIZ, NEY, RANGEL, SHOWS, MOLLOHAN, Mrs. JONES of Ohio, Messrs. JACKSON of Illinois, SPRATT, WYNN, BONIOR, SMITH of Michigan, BROWN of Ohio, NADLER, CLAY and Mrs. MEEK of Florida changed their vote from ''yea'' to ''nay.''

Messrs. DEFAZIO, HONDA, ETHERIDGE, PRICE of North Carolina and MCINTYRE changed their vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the engrossment and third reading of the bill.

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

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

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BOEHNER. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 354, noes 70, not voting 6, as follows:

[Roll No. 375]

AYES—354

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (FL)
Davis (IL)
Davis, Jo Ann
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Eshoo
Etheridge
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hayes
Hayworth
Hefley
Herger
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
Meeks (NY)
Menendez
Mica
Miller, Gary
Miller, George
Mollohan
Moran (KS)
Moran (VA)
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pascrell
Pastor
Paul
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sanders
Sawyer
Saxton
Schaffer
Schiff
Schrock
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Traficant
Turner
Udall (CO)
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NOES—70

Baca
Baldwin
Barrett
Bishop
Blagojevich
Borski
Brady (PA)
Brown (FL)
Capuano
Conyers
Costello
Coyne
Davis (CA)
DeFazio
Edwards
Engel
Evans
Filner
Frank
Gutierrez
Hastings (FL)
Hill
Hinchey
Holt
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Kleczka
Lee
Maloney (NY)
Markey
McDermott
McKinney
McNulty
Meehan
Meek (FL)
Millender-McDonald
Mink
Moore
Morella
Nadler
Neal
Oberstar
Obey
Olver
Pallone
Payne
Phelps
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Sabo
Sandlin
Schakowsky
Scott
Skelton
Slaughter
Spratt
Stark
Tierney
Towns
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Woolsey

NOT VOTING—6

Cubin
Davis, Tom
Hastings (WA)
Issa
Manzullo
Miller (FL)

□ 1410

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ELECTION OF MEMBER TO COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. FOLEY. Madam Speaker, I offer a resolution (H. Res. 257) and I ask unanimous consent for its immediate consideration in the House.

The SPEAKER pro tempore (Mrs. EMERSON). The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 257

Resolved, That the following Member be and is hereby elected to the following standing committee of the House of Representatives:

Standards of Official Conduct: Mr. LATOURETTE.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.