HOUSE OF REPRESENTATIVES—*Wednesday, July 8, 1992*

The House met at 10 a.m.

The Reverend W. Douglas Tanner, Jr., executive director, Faith and Politics Institute, Washington, DC, offered the following prayer:

O Lord, we gather this morning as very human beings in a setting that often discourages our humanity. We labor in an environment where trust is confused with naivete, where truth is confused with foolishness, where image is confused with substantive accomplishment.

We spend many hours away from our families—those with whom we yearn to fully share the gifts of life. We find ourselves fatigued for days on end. And time for quiet reflection can seem to be an unaffordable luxury.

Grace us, we pray, with the wisdom to find ways to deepen our humanity in this context in which we can too easily become shallow. Move within us and among us, and grant us Your peace. Amen.

THE JOURNAL

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

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

Mr. TRAFICANT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

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

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

The SPEAKER. 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 242, nays 115, not voting 77, as follows:

[Roll No. 269]

YEAS—242

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Atkins
AuCoin
Bacchus
Bateman
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell (CO)
Cardin
Carper
Carr
Clement
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Conyers
Cooper
Costello
Cox (CA)
Cox (IL)
Coyne
Cramer
Davis
de la Garza
DeFazio
DeLauro
Derrick
Dicks
Dooley
Dorgan (ND)
Dornan (CA)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
English
Erdreich
Evans
Fascell
Fazio
Feighan
Fish
Flake
Ford (MI)
Frank (MA)
Gaydos
Gejdenson
Gephardt
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Gradison
Green
Guarini
Gunderson
Hamilton
Hammerschmidt
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jenkins
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
Lantos
LaRocco
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McGrath
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Montgomery
Moran
Morrison
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nichols
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Pastor
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Poshard
Price
Rahall
Ravenel
Ray
Reed
Richardson
Ritter
Roemer
Rose
Rostenkowski
Roth
Rowland
Roybal
Russo
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Scheuer
Schiff
Schulze
Schumer
Serrano
Sharp
Sisisky
Skeen
Skelton
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Spratt
Staggers
Stallings
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walsh
Waxman
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—115

Allard
Allen
Armey
Ballenger
Barrett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Bunning
Burton
Camp
Campbell (CA)
Clay
Coble
Coleman (MO)
Coughlin
Crane
Cunningham
Dannemeyer
Doolittle
Dreier
Duncan
Edwards (OK)
Emerson
Ewing
Fawell
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goodling
Goss
Grandy
Hancock
Hansen
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Hunter
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Kolbe
Kyl
Lagomarsino
Leach
Lewis (CA)
Lightfoot
Livingston
Machtley
Marlenee
McCandless
McCollum
McCrery
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Molinari
Morella
Murphy
Nussle
Oxley
Paxon
Porter
Quillen
Ramstad
Regula
Rhodes
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Saxton
Schaefer
Schroeder
Sensenbrenner
Shays
Shuster
Sikorski
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vucanovich
Walker
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—77

Alexander
Aspin
Baker
Barnard
Bonior
Chandler
Chapman
Condit
Darden
DeLay
Dellums
Dickinson
Dingell
Dixon
Donnelly
Dymally
Engel
Espy
Fields
Foglietta
Ford (TN)
Frost
Geren
Gibbons
Hall (OH)
Hall (TX)
Harris
Hastert
Hatcher
Hefner
Jefferson
Kasich
Klug
LaFalce
Lancaster
Laughlin
Lent
Lewis (FL)
Lipinski
Lloyd
Lowery (CA)
Luken
Martin
McHugh
Miller (WA)
Mollohan
Moody
Moorhead
Mrazek
Nagle
Nowak
Patterson
Payne (NJ)
Perkins
Pursell
Rangel
Ridge
Rinaldo
Roe
Sanders
Savage
Shaw
Skaggs
Slattery
Solarz
Stark
Torres
Traxler
Washington
Waters
Weber
Weiss
Wheat
Whitten
Williams
Wilson
Wise

□ 1029

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair will ask the gentleman from Michigan [Mr. UPTON] if he would kindly come forward and lead the membership in the Pledge of Allegiance.

Mr. UPTON led the Pledge of Allegiance as follows:

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

MESSAGE FROM THE SENATE

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

H.R. 158. An act to designate the building in Hiddenite, NC, which houses the primary operations of the U.S. Postal Service as the "Zora Leah S. Thomas Post Office Building";

H.R. 4505. An act to designate the facility of the U.S. Postal Service located at 20 South Montgomery Street in Trenton, NJ, as the "Arthur J. Holland United States Post Office Building";

H.R. 5412. An act to authorize the transfer of certain naval vessels to Greece and Taiwan;

H. Con. Res. 156. Concurrent resolution concerning the emancipation of the Baha'i community of Iran; and

H. Con. Res. 328. Concurrent resolution providing for the printing of the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation" as a House document.

The message also announced that the Senate had passed bills, joint resolutions, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2834. An act to designate the U.S. Post Office Building located at 100 Main Street, Millsboro, DE, as the "John J. Williams Post Office Building";

S. 2917. An act to amend the National School Lunch Act to authorize the Secretary of Agriculture to provide financial and other assistance to the University of Mississippi, in cooperation with the University of Southern Mississippi, to establish and maintain a food service management institute, and for other purposes;

S. 2984. An act to authorize financial assistance for the construction and maintenance of the Mary McLeod Bethune Memorial Fine Arts Center;

S.J. Res. 270. Joint resolution to designate August 15, 1992, as "82d Airborne Division 50th Anniversary Recognition Day";

S.J. Res. 326. Joint resolution designating the beach at 53 degrees 53'51"N, 166 degrees 34'15"W to 53 degrees 53'48"N, 166 degrees 34'21"W on Hog Island, which lies in the Northeast bay of Unalaska, AK, be named "Arkansas Beach" in commemoration of the 206th regiment of the National Guard who served during the Japanese attack of Dutch Harbor, Unalaska on June 3 and 4, 1942; and

S. Con. Res. 81. Concurrent resolution expressing the sense of the Congress regarding visionary art as a national treasure and regarding the American Visionary Art Museum as a national repository and educational center for visionary art.

□ 1030

CONFERENCE REPORT ON HIGHER EDUCATION REAUTHORIZATION ACT HOLDS PROMISE FOR MIDDLE-CLASS YOUTH

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

Ms. DELAURO. Mr. Speaker, today, we have a chance to tell working, middle-class America that we understand: Families across this country fear they will not be able to afford to send their kids to college. The conference agreement on the Higher Education Reauthorization Act, that we take up this afternoon, will make a college education a reality for millions of Americans who could not otherwise afford to attend school.

In the last decade, working families have been battered by increased taxes, soaring health care costs, and college tuitions that have gone through the roof. At the same time, Federal support for education has withered away. Fewer and fewer middle-class families are eligible for grants or loans, and those who do qualify for aid are burdened with mountains of debt.

Education cannot be available only to the few. Poverty and wealth cannot be the only standards for access to education. Education and opportunity must be universal for those who will work to achieve.

Mr. Speaker, I urge the Members to stand up for education. Stand up for middle America. Support the conference agreement.

INDEPENDENCE WITH AN ASTERISK

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

Mr. GOSS. Mr. Speaker, on July 4, 1776, as our Founding Fathers adopted the Declaration of Independence, I am sure they did not envision 100 percent smooth sailing for free America. Some of them had foresight enough to predict that budgetary red ink would cause problems for the Federal Government. However, it seems unlikely that even the most clairvoyant founder could have anticipated the degree to which our country by 1992 would become hostage to Congress' profligate spending habits. During the 60 seconds that I speak here today, America's debt will shoot up by more than three-quarters of a million dollars. We seem to be addicted to over-spending.

On the Fourth of July this past Saturday we remembered that independence for 216 years has been a precious gift, a gift that must be preserved. But the cold hard fact is that every second of every day our independence gets more and more threatened as the debt obligation rises. Saturday's Fourth of July should be an alarm call to reverse this trend—to make America flourish once again, independent from debt and to make Congress cure itself from overspending and waste.

A LEVEL PLAYING FIELD FOR U.S. PRODUCTS

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

Mr. MAZZOLI. Mr. Speaker, the United States needs a level playing field in the very worst way so that American-made products made by American workers such as the Explorer vans and the Ford trucks made in the two Ford assembly plants in my district can have a fair chance to be sold in international as well as national markets.

We can establish this level playing field and create U.S. jobs by passing later today H.R. 5100, the Trade Expansion Act. It contains a revival of the Super 301 sanctions which can be leveled against countries that do not treat our products fairly.

There is a difference, I understand, with regard to the amendment to be offered by the majority leader, the gentleman from Missouri [Mr. GEPHARDT]. I tend to favor that amendment which puts into law the levels of imports established under the current voluntary restraint agreement which we have with Japan. But, whether or not that amendment is agreed to, and I hope it is, we must pass H.R. 5100 to establish a level trade playing field and to create American jobs here in the United States.

INTRODUCTION OF THE "DEPARTMENT OF SCIENCE, SPACE, ENERGY, AND TECHNOLOGY ORGANIZATION ACT OF 1992"

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

Mr. WALKER. Mr. Speaker, last Wednesday, July 1, with my Science Committee colleagues, the chairman, the gentleman from California [Mr. BROWN] and the gentleman from California [Mr. PACKARD], together with my friend, the gentleman from Pennsylvania [Mr. KOLTER], I introduced a bill which if enacted into law would establish a Department of Science, Space, Energy, and Technology.

The Department of Science, Space, Energy, and Technology Organization Act of 1992 builds upon the existing structure of the Department of Energy and its network of national laboratories, much of whose work is already devoted to general scientific pursuits.

The bill would combine three independent agencies, and some of the current scientific capabilities of the Department of Commerce, into one operating unit reducing needless waste and duplication entailed by the now separate administrative, legal, congressional, and public affairs apparatuses of the existing agencies and thus save some money.

In my view, the Department of Science, Space, Energy, and Technology's main function would be to help prepare the United States for the future. It would be the one area of Gov-

ernment that would be devoted to acting for future benefit rather than reacting to the mistakes of the past. Its goals would be to help build our scientific research and technology base together with the private sector to create our next generation of wealth and jobs. This new Department would be an advocate within the councils of Government to promote U.S. competitiveness internationally and internal cooperation domestically. This new Department would provide focus to fundamental building blocks of our future: Energy, science, math, environment, space, technology, and research, and allow these elements of our future to work together, giving these components of our future prosperity the high profile they deserve.

SUPPORT THE CONFERENCE REPORT ON HIGHER EDUCATION ACT

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

Mrs. LOWEY of New York. Mr. Speaker, across America parents dream of a better life for their families and their Nation. They dream of a growing economy, restored competitiveness, plentiful jobs, and increased prosperity.

Today, we can help make those dreams a reality.

In the long term, there is only one way to make our economy grow, and that is to build a highly skilled work force that can go head to head with any other nation of the world—and come out on top.

The conference report on the Higher Education Act is the tool we need to make this happen.

It will provide millions more young people with vital college aid. It will help us build a lean, mean economic machine, and it will help us restore the American dream.

Mr. Speaker, if we are really serious about an economic renewal in this Nation, let us renew our commitment to the workers of the future. Let us pass today's conference report enthusiastically and unanimously.

SOAKING THE RICH IS SOAKING THE MIDDLE CLASS

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

Mr. STEARNS. Mr. Speaker, Americans are bracing for a storm to blow out of New York City next week. We are ready to hear a barrage of soak the rich rhetoric that will have very little to do with reality.

We will hear that the rich have not paid their fair share to taxes for the past 12 years.

We will hear that the other party is the guardian of the middle class.

We will hear that the economic boom of the eighties was an illusion.

Unfortunately, we will not hear solid facts to back up any of these claims. We will not hear how cutting taxes and eliminating special loopholes raise the percentage the top fifth of Americans pay from 56 to 61 percent.

We will not hear that the top fifth of income earners being targeted for tax increases will include Americans making $56,000 a year. That is a solid middle-class two-income family, Mr. Speaker.

We will not hear how the economy grew for 7 straight years until the raise the taxes crowd got their way; but Americans know that when the other party talks about soaking the rich, the middle class can prepare to get very, very wet.

INVESTING IN THE WORK FORCE

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

Mr. HOAGLAND. Mr. Speaker, as the House of Representatives this week votes on S. 1150, the higher education amendments, a very important bill, we are reaffirming that the American dream of access to and opportunity for a college education becomes a reality.

America faces one of its toughest challenges in recent years—revitalizing our economy. With the end of the cold war, the national strength and status of the United States as a great power depends on our ability to compete in an international economy. To compete effectively we must invest in education.

Yet unfortunately, middle-class working families, the traditional source of productive workers, are seeing the dreams of higher education slip away as our standard of living declines. In the last decade those with incomes below the top 20 percent saw their incomes either stagnate or decline when adjusted for inflation. Meanwhile costs at public and private colleges have increased two to three times faster than the growth in median family income. Many families can simply not afford to pay for their children's education.

To meet the needs of working families this bill:

Increases the maximum Pell grant from $2,400 to $3,700;

Revises the programs that serve those nontraditional students who are older, independent of their parents, working and attending school part-time or going back to college for the first time;

Allows all students regardless of family income to borrow up to the maximum Stafford Loan;

Improves early outreach and intervention efforts because students and their families are frequently not well informed about financial assistance.

Bill Clinton is also proposing to make college affordable to all students. Governor Clinton's plan, the domestic GI bill, would enable all Americans to borrow money for college, so long as they are willing to pay it back as a percentage of their income over time or through national service addressing unmet community needs. Such needs might include a police officer, an inner-city teacher or taking care of children in a day care center.

Education is the key to opportunity and to jobs. For students of all ages in community colleges, universities and trade schools, their postsecondary education will mean increased job opportunities, higher salaries, and a better way of life.

□ 1040

PROTECTIONISM CITED AS KEY TO PROVINCIAL TAX IN CANADA

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

Mr. SCHULZE. Mr. Speaker, just weeks after a recent beer trade agreement between the United States and Canada, the Province of Ontario—the location of most major Canadian brewers—has slapped a 10-cent per can tax on beer sold in aluminum cans. Most Canadian beer is sold in bottles.

Ontario claims such a tax is necessary for environmental reasons. Why, then, is the tax imposed only on cans of beer and not cans of nonalcoholic beverages?

Even with the high recovery rate of glass, because glass is bulkier than aluminum, and few bottle caps are recycled, refillable bottles actually result in more solid waste than aluminum cans. Ontario's environmental justification for this obvious trade barrier is cute, but it just does not hold water or beer, for that matter.

If Canada wants tit-for-tat protectionism, I am sure America can ante up, too.

PROPOSED LEGISLATION WOULD EXPAND EDUCATION REFORM TO NEW LEVELS

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

Mr. JOHNSTON of Florida. Mr. Speaker, the reasons that so many of today's children are at-risk of failure have less to do with our education system than with the problems those children bring to school with them every day.

Yet, even as we recognize that a hungry child, a sick child, or an abused child, cannot concentrate on his lessons, we continue to neglect those problems in proposals for education reform.

Today I am introducing legislation which will provide grants to States and localities that develop plans to integrate noneducational services with the public school system. Schools are so often the place where a problem is first identified, yet we continue to leave teachers stranded as they attempt to deal with the numerous problems that fall outside the realm of their training and resources.

My legislation will also achieve systemic reform at the State and Federal levels. It is not enough to provide yet another demonstration grant to a local school district; we must be committed at all levels to reforming a fragmented system that allows too many of our children to fall through the cracks.

From now on, let us address the whole child when we speak of education reform and recognize that, as always, the unmet needs of today will become the tragic and expensive social ills of tomorrow.

SPACE STATION "FREEDOM"—GATEWAY TO THE FINAL FRONTIER

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DORNAN of California. Mr. Speaker, when our space shuttle *Columbia* completes another successful U.S. space mission today, we can all take pride in this historic accomplishment which reflects the dedication and commitment to excellence of our astronauts, NASA ground crews, and our aerospace workers throughout the country who made this mission possible. Unfortunately, such missions are limited due to the small amount of time a space shuttle can remain in space.

According to shuttle commander Richard N. Richards, what the astronauts needs is "more time in space in order to give them a platform to conduct the experiments and work and research needed to get some of the answers" to questions posed by our scientists. With a space station, commander Richards further commented, "we can stay up here in measures of months, rather than days."

We must push forward with a space station if we are going to successfully and aggressively explore the final frontier of space. We cannot turn back now just as we approach the threshold of space exploration. We cannot limit ourselves to shortsighted, short-term cost savings that would result from cancellation of the station. Instead, we must look forward to the long-term gains which will result from space exploration. We must look forward as explorer Christopher Columbus did 500 years ago when he brought two amazing worlds together.

If we accept this challenge, we must press forward with space station *Freedom*—it will be the rock upon which we build the future of U.S. and world space exploration.

[From the Washington Post, July 4, 1992]

COLUMBIA ASTRONAUTS CITE THEIR NEED FOR SPACE STATION

CAPE CANAVERAL, July 3.—Space shuttle *Columbia* commander Richard N. Richards made a pitch today for the space station *Freedom* when he said astronauts on NASA's longest schedule shuttle flight need more time in orbit.

"They've already been complaining here that they're looking at the calendar and seeing the de-orbit date coming up here and their work really isn't done," Richards said in a radio interview.

"What they need is more time in space in order to give them a platform to conduct the experiments and work and research needed to get some of the answers" to scientific questions, he said of the seven astronauts.

Freedom is a perennial target in Congress, but NASA plans to start building the $30 billion-plus laboratory in orbit in late 1995 and have astronauts living there full time by 2000.

With a space station, "we can stay up here in measures of months, rather than days," Richards said.

Today, two of the four astronauts splitting 12-hour shifts inside the shuttle laboratory worked through part of their breaks. NASA gave each of the four a four-hour "vacation" to help relieve the strain of such a long flight. Shuttle astronauts have never spent more than 10 days and 21 hours in space at a time. *Columbia*'s crew will pass that record on Monday and is scheduled to remain aloft until Wednesday.

Lawrence DeLucas, the crew's crystal expert, sounded harried as he set up more protein crystal growth experiments.

"I'm trying to do as many as I can as quickly as I can because I really have so much more to get done and it takes between five and seven days for most of these to grow. So time is of the essence here," DeLucas told payload controllers at NASA's Marshall Space Flight Center in Huntsville, Ala.

Among the crystals DeLucas activated were interferon, an antiviral substance used to treat AIDS; a protein that regulates blood pressure, and a serum that transports iron from the liver to immature red blood cells.

Researchers hope to develop better drugs with *Columbia's* protein crystals. Crystals produced in space are bigger and purer than those cultivated on Earth, where gravity hampers growth.

Astronaut Carl Meade, one of those who shunned time off, spent part of the day stirring up dust. He used bursts of compressed air to shoot quartz particles, the size of grains of sand, into small containers. Some of the specks clumped together, while others clung to the chamber walls or just floated.

Scientists want to see how small particles cluster in weightlessness. They hope the tests will help them better understand atmospheric cleansing after major dust storms, volcanic eruptions, meteorite strikes and, potentially, nuclear explosions.

RUSSIA GETS CASH—AMERICA GOES BROKE

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

Mr. TRAFICANT. Mr. Speaker, Boris Yeltsin crashed the G-7 summit. Yeltsin was not even wearing a black tie.

Mr. Speaker, he said, "Russia needs cash. If you do not believe me, just take a look at Chernobyl."

Meanwhile, needed trade reforms were once again put on the back burner. Now, think about it: Russia gets cash, America goes broke. California is passing out IOU's not paychecks; in New York they are in a riot situation: and the child poverty rate in America is exploding, and the truth is most parents cannot get a decent job. Most parents write in and they say, "I can't understand it." Well, the truth is, Mr. Speaker, it is easy to understand; most of the American politicians are more concerned about Red Square than they are about New York and the children in America living in poverty.

It is as simple as that.

WE MUST FUND THE RTC

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

Mr. DREIER of California. Mr. Speaker, the news which just came out this week of the closure of the eighth largest thrift is very distressing to all of us. San Diego-based HomeFed was taken over by the RTC, as announced by the Office of Thrift Supervision. That decision and the effect it will have on the 750,000 depositors sends a very important message to this Congress. We cannot stand by and ignore the necessity to fund the Resolution Trust Corporation. I am not enthusiastic about blindly sending tax dollars in there, but we have got to remember that the full faith and credit of the U.S. taxpayer is behind those who have deposits up to $100,000.

Mr. Speaker, we owe it to the American people to keep our promise, the promise that was made years ago. So let us address the RTC funding question as soon as possible.

TEN MILLION UNEMPLOYED: A SERIOUS NATIONAL PROBLEM

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

Mr. OWENS of New York. Mr. Speaker, 10 million people without jobs is a serious national problem. For each of the 10 million families this unemployment is a personal disaster. For all humane and moral decisionmakers in the Congress and the executive branch these 10 million workers without a paycheck must be treated as a national emergency. Ten million unemployed is an emergency. Ten million unemployed

is an emergency which requires immediate action. The administration must join with the Congress in addressing the issue now. You don't need to be a genius to understand the first steps which must be taken to cope with this emergency. Certain time-tested, effective, and workable remedies can be implemented without delay: Accelerate the distribution of mass transit and highway funds. Pass emergency block grant legislation for education to allow school budget cuts to be restored and laidoff school workers to be rehired. Block grants for health care and hospitals would permit the rehiring of laidoff hospital staff. New initiatives to get on top of the escalating environmental crises would hire many scientific and technical workers. Ten million jobless workers can't wait for the new world order free market economics to gear up. Ten million families must eat now. We need the old fashion public sector stimulant. It is the sacred duty of the Congress and the administration to act mercifully and to act swiftly. Ten million families need jobs now.

□ 1050

REVIVING THE AMERICAN AUTOMOBILE INDUSTRY

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

Mr. BLACKWELL. Mr. Speaker, no one in this Chamber can deny the fact that the American auto industry has been losing jobs for the last 15 years at an unprecedented rate. The industry that led this country into the 20th century is rapidly losing steam, and many would say that Congress has simply sat here in Washington, and watched.

Today we have the direct opportunity to reverse this downward trend, and set the U.S. auto industry back on its feet.

The Gephardt-Levin amendment to H.R. 5100, the Trade Expansion Act, will finally let us compete on a level playing field, by putting the number of Japanese imports accepted into the United States on par with the number of American cars they allow into Japan.

Mr. Speaker, I wholeheartedly reject, as do my constituents, any argument that this legislation is protectionist.

Is it protectionist to want to put Americans back to work? Is it protectionist to try and stimulate our ailing economy?

And please, Mr. Speaker, tell me if it is protectionist to put the needs of Americans as our most primary and crucial concern.

If the European Community can craft such an agreement with Japan then we must as well. The time has come for the President to stand firm on this issue, and the passage of this amendment will give him little choice, but to stand up for the U.S. auto industry.

I urge my colleagues to vote in support of this amendment today. Let us make a difference and pass this much-needed and long-awaited legislation that can directly revive the industry that made our country great.

SPACE SHUTTLE "COLUMBIA," A PRECURSOR TO SPACE STATION "FREEDOM"

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

Mr. BROWN. Mr. Speaker, I join my colleague, the gentleman from California [Mr. DORNAN] in noting that the space shuttle *Columbia* will land at Edwards Air Force Base in California after a record-breaking 14-day mission in Earth orbit.

While this mission may not have generated as much interest in the press and among the general public as the last space shuttle mission in which a stranded commercial communications satellite was rescued, this mission may in fact be of greater long-term importance to the country.

That is because this mission was a technological investment in the future. The purpose of this mission is to carry a unique microgravity research laboratory into space, and to conduct experiments in that laboratory that can only be performed in the weightless conditions that exist in space.

The specific experiments that were conducted on this mission could lead to improved drugs, medical treatments, engineering materials, computers, infrared detectors, water desalination equipment, chemical and industrial processes, and the development of such wonders as artificial skin, blood vessels, and other parts of the body.

This mission was also significant, in that it was a precursor to the types of missions and experiments that will be conducted on space station *Freedom* when it is placed into orbit later this decade.

One difference in the space station however, is that after going to the expense of placing laboratory experiments into orbit, they will not be constrained to a mere 13 days of operation—on the space station, these experiments will be able to operate for many months or even years.

Accordingly, the payoff that we receive for our investments in such research will be greatly enhanced.

Mr. Speaker, I hope that all Members will join me in congratulating NASA and the crew of the space shuttle *Columbia* for this important pathfinding mission.

UNEMPLOYMENT AMONG HIGH SCHOOL GRADUATES

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

Mrs. COLLINS of Illinois. Mr. Speaker, today, while Mr. Bush talks with the leaders of the G–7 nations in Munich, back home in America we face an unemployment crisis among our youth. Today over 1 in 4 of the kids that graduated high school last year and are not in college are unemployed. That rate is higher than it has been since 1983, and most of those who eagerly received their diplomas in May or June of this year with the thought of immediately entering the workplace will be sadly disappointed because job opportunities for them just are not there.

Mr. Speaker, these facts are dismal without any interpretation, but what they say about the future for a majority of America's youth is tragic. In years past, a high school diploma might not have insured wealth, but it often led to a decent job on which one could support a family. For today's high school grad that prospect is quite unlikely.

It is my hope, Mr. Speaker, that when the so-called education President, Mr. Bush, discusses the future of the Soviet Union and Yugoslavia, the youth of America and their parents will be watching as their prospects for a real future quickly disappear. America's youth deserve and need better than this.

EXPAND THE TALENTED TEACHER ACT

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

Mr. WYDEN. Mr. Speaker, later today the House will consider the Higher Education Act, and I would like to commend the gentleman from Michigan [Mr. FORD] for bringing a first-rate bill to this House. I am especially pleased that the conference has chosen to expand the original Talented Teacher Act of 1984 which I authored with then House Member PAUL SIMON and our colleagues, the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Missouri [Mr. COLEMAN]. We envisaged that unless the Federal Government did more to attract bright young people to teaching, the rest of the school reform agenda would have limited impact.

Mr. Speaker, our bill has acted like educational ROTC. There are scholarships for bright youngsters in return for their teaching in underserved areas, and there are fellowships that we can recognize the excellent contributions of outstanding teachers now in the classroom.

By expanding our original program in today's Higher Education Act, Mr. Speaker, the House can send a strong message to bright high school students. This country wants those young people

in front of our classrooms in the battle for excellence in education. We need our bright youngsters as teachers, the Higher Education Act makes that possible, and I urge my colleagues to support it later today.

GEPHARDT-LEVIN AMENDMENT ENSURES THAT JAPAN LIVES UP TO THEIR COMMITMENTS

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

Ms. KAPTUR. Mr. Speaker, today the House will have a chance to vote on the Gephardt-Levin amendment to the trade bill to open Japan's closed automotive trade practices. Simply this amendment puts the weight of law behind the automotive agreements President Bush negotiated in Japan last January. It calls on our Trade Representative to negotiate a comprehensive auto sector agreement with Japan, and it sets up a monitoring and enforcement system to ensure Japan lives up to the commitments it made last January.

What this amendment is about is opening markets, opening Japan's closed procurement practices, assuring United States-Japan trade reciprocity in automotive goods and putting our foot down after 7 years of United States-Japan trade talks fraught with delay, meager results, and a worsening trade deficit.

Japan's market is closed. Less than 3 percent of the goods, automotive goods, in Japan's market are imported from anywhere else in the world, while one-third of our market is now penetrated by foreign automotive goods. Japan cleverly marks up by 33 percent the sticker price of foreign cars in its market, and it excludes non-Japanese products in its marketplace, as well as excluding United States cars and other foreign cars from its dealerships.

The U.S. Congress must stand fully behind the agreement the President negotiated last January. Vote for the Gephardt-Levin amendment.

WE MUST CREATE JOBS FOR THE PEOPLE WHO WANT TO WORK

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

Mr. HAYES of Illinois. Mr. Speaker, seven of the wealthiest nations in the world are concluding a 3-day conference in Munich, Germany, discussing the world's economy. It looks very much like the only winner in this situation is going to be Russia.

Mr. Speaker, while they are discussing this issue, economy and economic tragedy overseas, poverty, as has been stated, is on the rise here in this great Nation of ours. I do hope that this Congress of ours will begin to focus some attention on some real programs to put people back to work.

Mr. Speaker, we need to look back on the Roosevelt days and start some public work programs, some civilian conservation programs, and I say, "Call them what you may, but let them be jobs for people who want to work."

My colleagues, let us remember that charity begins at home and we here in this Congress ought to begin to do something about it. I do hope, as a delegate to my own party's convention next week in New York, that we will come out of that with the kind of platform that is going to give hope to those people who are suffering in this great Nation of ours today.

THANK YOU FOR HELPING THE PEOPLE OF FRITCH, TX

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

Mr. SARPALIUS. Mr. Speaker, for the 3½ years that I have been a Member of this institution very seldom do I hear a Member stand up and say, "Thanks." But that is why I rise today.

I went home this weekend and toured the town of Fritch, the town that was devastated by a tornado that destroyed and damaged over 50 percent of the homes in that small rural town. I went in the rubble of a large brick home, and the only thing that was left remaining was a small bathroom in the middle of that home. The sheetrock had been pulled off of all sides of that bathroom, and it was amazing that in the middle of that bathroom there were seven people that survived that tornado.

Thank God nobody lost their lives, but the investment that this Government has made to try to help rebuild that community, I think, was a wise investment, and I stand here before my colleagues to say, "Thank you for your help in helping the people of Fritch, TX."

MAKING THE DREAM OF A COLLEGE EDUCATION A REALITY

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

Mr. AUCOIN. Mr. Speaker, today we will vote on the Higher Education Act, and I want to applaud the gentleman from Michigan [Mr. FORD] and his committee for their excellent work on that legislation. While the bill expands Federal financial aid programs, it does, however, fall short by not providing grants to all working and middle-class students who qualify.

The original bill, the bill I cosponsored, made Pell grants an entitlement. If we can make health care available to the elderly, and I think we should, we surely can afford to make Pell grants an entitlement for our students of middle-income families. If we do not, we risk our future. We simply cannot afford to risk an education system that is accessible only to the rich. If we keep going like we are right now, soon only millionaires will be able to send their kids to college.

In Oregon, Mr. Speaker, tuition at State schools is expected to climb nearly 20 percent in the next 2 years. This is on top of a 30-percent hike just last year.

□ 1100

For many students Federal financial aid is the only ticket they have to a college degree. It is time for new national priorities.

Mr. Speaker, I think we should pass this bill, but let us continue to push for the expanded financial aid that our students in this country from middle-income families richly deserve. This Nation's youth deserve a real commitment from this Congress and from this country, one that makes the dream of a college education for everyone who needs it and qualifies a reality.

LOCAL GOVERNMENTS, PRIVATE SECTOR PRESSURED BY UNFUNDED FEDERAL MANDATES

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

Mr. MORAN. Mr. Speaker, this past week marked the beginning of a new fiscal year for 46 States and most localities around the country, and they have to look forward to a miserable fiscal year, one that will be probably worse at the end of the fiscal year from which they have just concluded. The fact is that the Federal Government is liable in some ways to make it even worse on them because we are undoubtedly going to pass legislation that imposes on those States and localities, as well as the private sector, programs for which we will take credit but for which we will provide insufficient funding, if any.

The growth of unfunded Federal mandates upon State and local governments and the private sector has increased with every successive year, and with the constraints on the Federal budget, there is no doubt that it is going to increase at an even faster rate.

I have introduced legislation that would require that a complete fiscal year analysis be included in any bill reported out of committee, an analysis that would show us how much it is going to cost State and local governments and the private sector to implement the legislation being enacted. It would also require that we take the least cost alternative method of fully implementing the intent of the legisla-

59-059 O—97 Vol. 138 (Pt. 13) 21

tion. It would also apply to executive branch rulemakings and regulations as well.

Mr. Speaker, I urge my colleagues to support this legislation.

REPUBLICAN MEMBERS URGED TO SUPPORT AMERICAN AUTO CONTENT AMENDMENT TO TRADE BILL

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

Mr. HUNTER. Mr. Speaker, shortly we are going to be considering H.R. 5100 and a particular amendment that goes to the commitment that was made to President Bush during his trip to Japan. I think that was a very productive meeting, a very productive trip. During that meeting the President received a commitment from Japanese leaders to increase the American content, that is, the part of cars that are manufactured in transplant facilities in the United States, to increase the American content, the part manufactured by American workers, to 70 percent.

They made that commitment, and since they have made that commitment we have all seen television commercials across the country by some of those transplants that advertise the fact that the cars in fact are made in America. The auto amendment that will come up to H.R. 5100 allows us to codify the commitments that were made to President Bush in Tokyo.

It would behoove those of us on the Republican side of the aisle to adhere to the Republic philosophy of supporting the American worker and, therefore, supporting that particular amendment.

Six spinoff jobs are created for every job that is created in the automobile industry in this country.

Mr. Speaker, the most important thing we can do to pull the country out of recession is to get the automobile industry back on track.

SUPPORT URGED FOR GEPHARDT AMENDMENT TO TRADE BILL

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

Mr. APPLEGATE. Mr. Speaker, more than 10 million Americans are unemployed. They are unemployed from real jobs. The Republicans say there are 115 million Americans who are working, and that may be true. But flipping hamburgs and frying french fries? Is that going to bring America back? Is it going to balance the budget? I say that it is not going to do it.

The Reagan-Bush trade policies over the last 12 years have undermined the American economy, and now President Bush wants to export more of our jobs to Mexico and to China.

H.R. 5100, the trade bill, which is going to be on the floor today will be a good bill if it includes the Gephardt amendment. That is a good start. But we know, I know, and you know that if this bill is going to be passed and it is worth anything, President Bush is going to veto it, just like he has done in so many instances where legislation helps American workers.

Mr. Speaker, I say it is time to stop exporting American jobs and put Americans back to work in real jobs, not flipping hamburgs and cooking french fries. That is the answer to America's economic problems.

DEFICIT REDUCTION SHOULD BE GOAL OF SAVINGS

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

Mr. MICHEL. Mr. Speaker, I rise today to express my concern that some in Congress would again like to debate whether the budget firewalls should be torn down in 1993.

The purpose of the firewalls is to help to reduce the deficit—not to create a reserve to spend later.

We debated this issue on March 31 and the House decided that if savings result in any one area such savings should be applied to reduce the deficit.

The savings should not be used for additional spending in another category.

But, today I am hearing that once again the Democratic majority is pursuing a strategy to use savings achieved in one area for more spending in the Transportation appropriations bill.

How will we ever get control of the spiralling Federal deficit if, whenever some savings are achieved in one area, Members feel compelled to spend those savings in another area?

Let us apply those savings to reduce the deficit. This is precisely why we face an ever growing Federal deficit.

The majority party just cannot resist the urge to spend, spend, spend. When we should save, save, save.

PROVIDING FOR CONSIDERATION OF H.R. 5100, TRADE EXPANSION ACT OF 1992

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 510 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 510

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5100) to strengthen the international trade position of the United States, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed one and one-half hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered as having been read, and all points of order against said substitute are hereby waived. No amendment to the said substitute shall be in order except the amendments printed in the report of the Committee on Rules accompanying this resolution. Said amendments shall be considered en bloc and shall be considered as having been read. Said amendments en bloc shall be debatable for the period specified in the report, equally divided and controlled by the proponent and a Member opposed thereto. Said amendments en bloc shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as having been ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. DREIER], 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.

□ 1110

Mr. DERRICK. Mr. Speaker, House Resolution 510 makes in order the consideration of H.R. 5100, the Trade Expansion Act of 1992. The rule provides for 90 minutes of general debate time equally divided and controlled by the chairman and ranking minority member of the Ways and Means Committee.

The rule makes in order the Ways and Means Committee amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment. The rule waives all points of order against the substitute.

The rule makes in order only one en bloc amendment, the Gephardt-Levin amendment, which is printed in the report of the Committee on Rules. The Gephardt-Levin amendment will be debatable for 1 hour, equally divided and

controlled by the proponent and an opponent. The en bloc amendment is not subject to amendment nor to a demand for a division of the question. Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 5100, the Trade Expansion Act of 1992 strengthens the international trade position of the United States through a 5-year extension of Super 301 authority. Super 301 requires the administration to identify priority countries and to investigate their unfair trade practices. It also requires the administration to negotiate the elimination of foreign barriers to American products and to retaliate if negotiations fail.

H.R. 5100 also strengthens existing law by requiring the U.S. Trade Representative to review foreign compliance with bilateral trade agreements if requested by private interested parties. Under existing law, private parties can petition USTR to investigate, but USTR is not required to do so.

The bill also requires USTR to consult with foreign countries where a burden on U.S. trade is not found to exist now, but is likely to be found if the foreign practice or policy continues.

H.R. 5100 institutes certain trade actions against Japan to assist the United States automobile industry. Last year, our trade deficit was nearly $65 billion, and Japan accounted for two-thirds of the total. H.R. 5100 attempts to open the Japanese market to American automobiles and automobile parts through the mandatory initiation of a section 301 investigation and negotiation of an access agreement.

Finally, the bill contains certain antidumping measures and requires the International Trade Commission to consider the actual and potential decline in the order backlog of a U.S. industry as evidence of potential dumping.

Mr. Speaker, House Resolution 510 is a fair rule that will expedite consideration of this important legislation. I urge my colleagues to support the rule and the bill.

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

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

Mr. Speaker, many of us on this side of the aisle consistently argue on behalf of open rules, but there is a clear recognition as I sit upon the Committee on Rules that on occasion as we review legislation there, sometimes, especially bills from the Committee on Ways and Means, they should be considered under restrictive rules, which may be necessary. This may be one such occasion, but I strongly oppose this rule.

Mr. Speaker, the rule fails to make in order an amendment that is both germane and relevant to H.R. 5100. The basic premise of this bill is that the United States trade deficit is primarily due to unfair trading practices with Japan. It seems to me that the one best way to address this problem is through fair and free trade.

Last week, I urged my colleagues on the Committee on Rules to make in order an amendment to require the President to begin consultations with the Government of Japan on negotiations for a United States-Japan free trade agreement. My motion received bipartisan support, but, unfortunately, it was defeated on a 4-to-4 tie.

The amendment would give our trade negotiators a second tool for eliminating barriers and expanding trade.

Mr. Speaker, the gentleman from South Carolina [Mr. DERRICK] has said this bill is designed to move against the Japanese. What we are offering here is a positive approach. It is only sensible that we debate the merits of the United States-Japan free trade agreement as part of a bill to provide American exporters equal access to the Japanese market. Therefore, I urge my colleagues to join me in voting to defeat the previous question on this rule so that this one additional amendment can be made in order.

Mr. Speaker, the U.S. Trade Representative has stated that she will recommend a veto of H.R. 5100 because it will, among other things, destroy jobs and undermine the Trade Representative's negotiating authority.

Many of my colleagues would argue that it does not serve our interests to approve a bad bill that the President intends to veto, but that is really not the issue here. Mr. Speaker, the issue is whether this body will be on record in support of a positive solution to what 40 years of multilateral negotiations have failed to achieve; that is, an opening up of the Japanese market.

Mr. Speaker, a vote for fair and free trade would signal the world that the United States does not intend to blindly follow the slippery slope of managed trade. A debate on free trade will move the discussion away from simply picking winners and losers and toward a trading system that benefits everyone.

Mr. Speaker, there is more to our economic relationship with Japan than just auto parts and rice. Japan is a critical market for some things that come from my State of California: aircraft, agricultural products, and entertainment services, which are exported from California and other parts of the United States. Our two countries together are responsible for about 50 percent of global GNP, a figure that could grow with a free trade agreement.

Mr. Speaker, the February 17 issue of Business Week magazine contained the headline, "U.S. Industry Is a World Class Contender Again." A free trade agreement with Japan would help to lock in our competitive advantage while opening up markets for United States exports. At a minimum, we should be allowed to debate the question of whether the President should begin just preliminary discussions on the feasibility of such an arrangement with the Government of Japan.

To do so, Mr. Speaker, I again urge my colleagues to defeat the previous question and allow this amendment to be made in order.

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

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

Mr. Speaker, the amendment of the gentleman from California [Mr. DREIER] goes in a different direction from the focus of the bill. The chairman of the subcommittee with jurisdiction has agreed to hold hearings on this measure. If that does not suffice, the gentleman from California [Mr. DREIER] has the option of using the motion to recommit for his purposes.

Mr. Speaker, for purposes of debate only, I yield 6 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Speaker, well, here we are at long last talking about a critical issue—the economy in general and trade in particular. We have not really had a thorough airing of these issues since 1988, since the trade bill. There was not such in the presidential campaign of 1988, and there really has not been since then.

Some might ask, why? They might say, well, the trade deficit is not quite as large as it used to be. But $60 to $70 billion a year is very large, with an accumulated $1 trillion trade deficit in the decade of the eighties.

Mr. Speaker, 10 years, $1 trillion, and now $60 to $70 billion a year, most of it with Japan.

Mr. Speaker, there are two views of how we approach this. One view was expressed in the letter from Mrs. Hills. This is not a partisan matter. She expresses one view. Here is what she says:

> Working together we have made tremendous progress in creating jobs at home and new export opportunities abroad.

She says "making tremendous progress in creating jobs at home." Where are those jobs? Good jobs are being shipped away. Per capita income dropped in the decade of the eighties.

She also goes on to say, "H.R. 5100 is not the right way to open the Japanese market. Yes, more needs to be done, but we are on the right track."

On the right track? What was the record of the first 4 months? The United States had a trade deficit the first 4 months of $16.7 billion—not million—billion, and of that, $15 billion was with Japan.

□ 1120

On the right track? A persistent trade deficit? And we are continuing to lose ground in key areas.

Third, she says since 1988 we have opened the Japanese market for many

of America's most competitive exports, including, she says, opening up the Japanese market for autos and auto parts, for semiconductors and for wood products. Autos, foreign penetration in the second largest market in the world, Japan, is 3 percent; 30 percent in the United States, by Japan alone.

Auto parts. The gentlewoman from Ohio [Ms. KAPTUR] and I have been working with others on this for 6 years. American auto parts penetration in the Japanese domestic market is about 1 percent. It is less than that. That is opening up the Japanese market?

Mrs. Hills' view, and I continue quoting from her letter, is that "H.R. 5100 could lead to retaliation and trade contraction." There is another view, and that is that the United States should stop quivering in its boots. We are in the largest open market in the world. Japan relies on that. Every time somebody says "trade war" or "there will be retaliation," it is not becoming, attractive, appropriate, or effective for the United States to say "we are worried somebody may retaliate."

In January in Tokyo the President expressed concern. In June what we hear from Mrs. Hills is complacency. There is something basically wrong. Trade policy is not the whole case. No one claims it is. When we have a $16 billion deficit the first quarter in trade and $15 billion is with Japan, there is something wrong.

This bill attempts to strengthen our trade laws. H.R. 5100, for example, will renew Super 301, something a few of us have been working on for several years. What is wrong with Super 301? Mrs. Hills in her letter says we have made progress in supercomputers. We did so because they utilized Super 301. The same was true of wood products.

This bill is not protectionist, H.R. 5100. It is antiprotectionist. It does not close markets, it will open them up. It will not stimulate a trade war. Instead, it will reduce unfair trade practices.

Trade is not a Michigan problem. Our auto amendment comes later. Automobiles are not a Michigan problem or a regional problem, they are a national problem, as is our overall trade deficit.

The time has come to end talk. The time has come to end rosy, rosy predictions. The time has come to stop saying things are better when they are worse. People do not want Mr. Goodfeel or Feelgood from us. They want us to fix what is broken.

The trade laws are not ample, they are not strong enough. H.R. 5100 is a step forward toward a more open trade policy and a stronger one. I urge adoption of H.R. 5100 as well as the Gephardt-Levin amendment that will come thereafter.

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

Mr. Speaker, I simply say to my colleague, the gentleman from South Carolina [Mr. DERRICK], that it is difficult to imagine that he is opposed to free and fair trade that is embodied in the amendment that I hope to offer. At the very least I would hope that he is committed to the concept of free and fair debate, and that is exactly what I am trying to bring about here. I would hope very much that he would support it.

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

Mr. DREIER of California. I am happy to yield to the gentleman from South Carolina.

Mr. DERRICK. Mr. Speaker, I am not opposed to what the gentleman is doing. I am just telling him that there is a way to do it without working against the rule.

Mr. DREIER of California. Mr. Speaker, I yield 1 minute to the distinguished Republican chairman emeritus of the Committee on Rules, the gentleman from Tennessee [Mr. QUILLEN].

Mr. QUILLEN. Mr. Speaker, I thank the gentleman from California [Mr. DREIER], a very valuable member of the House Committee on Rules, for yielding time to me.

Mr. Speaker, the gentleman made a valiant effort to get his amendment made in order in the Committee on Rules and it failed on a tie vote. It has merit. It should be made in order. I hope the previous question is voted down so that he can offer his amendment.

Whether or not we believe in fair trade, free trade, we all know that the fence around the borders of Japan should be cut down and American products go into that nation. We know that our fence is open to them, and fair is fair. He has pointed out very ably that agricultural products and fruits and other items of trade should be negotiated, allowing that input through that fence which has been outstanding for years and years and years. I hope the previous question is voted down. I hope he has an opportunity to offer his amendment.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, we have waited too long to attack the unfair trade practices of the Japanese, but for the sake of the American auto industry and our entire national economy, I say, "Better late than never."

Japan's auto and auto parts markets are still closed to American manufacturers. The keiretsu supply system, which shuts out non-Japanese companies, is the reason the United States exported less than $1 billion of auto parts to Japan in 1990 at the same time they exported $10.6 billion in auto parts to the United States. That trade deficit costs us 200,000 middle-class manufacturing jobs.

The Gephardt amendment sets a limit on Japanese car exports to the United States and requires cars made in Japanese transplant factories in the United States to have 70 percent United States content. By adopting Japan's own voluntary export limit and the content goal they themselves pledged to achieve, we can be fair to Japan and protect our own interests at the same time.

The people I represent have seen too many factories close, too many hard working neighbors lose their jobs while our Government sticks its head in the sand. Japan will not change its trade practices on its own. If we want fair trade, we have to take strong action and take it now. Vote for the Gephardt amendment and protect American jobs.

Mr. DREIER of California. Mr. Speaker, I am happy to yield 2 minutes to the gentleman from Illinois [Mr. CRANE], the distinguished ranking member of the Subcommittee on Trade of the Committee on Ways and Means.

Mr. CRANE. Mr. Speaker, I rise in support of the motion offered by the gentleman from California [Mr. DREIER] to defeat the previous question so as to open the door up for what he has already described as positive debate on a very thorny question. That is resolving some of our trade differences with Japan.

The fact of the matter is, trying to mandate legislatively, as is going to be proposed later this afternoon, percentages of numbers is not the right solution. I have Motorola in my district, and Motorola labored for years to penetrate that Japanese market, and today a majority of the cellular telephones used in Japan are manufactured by Motorola. They have demonstrated it is not an easy market to get into, there are impediments, but the positive approach is the one recommended by my colleague, the gentleman from California [Mr. DREIER].

Last year the chairman of our Subcommittee on Trade of the Committee on Ways and Means, the gentleman from Florida [Mr. GIBBONS] and I cosponsored a bill to do exactly what the gentleman is calling for. We have a broader bill in this year that would include all of the Pacific rim countries from Japan, South Korea, Taiwan, Hong Kong, Malaysia, Thailand, Australia, New Zealand, to begin free trade negotiations with all of them.

□ 1130

That is a positive approach, and a positive approach in the most dynamic, explosive, economic, growth-oriented section of the world.

The fact of the matter is this kind of an approach holds out hope for positive change. And the gentleman is not mandating that there is going to be any resolution of this. What he is calling for is the administration to start the talks. It is going to take time to achieve the result he is trying for, but on the other hand, this is the way to go about it.

I would like to also just insert very quickly here some figures that appeared in yesterday's New York Times Business Day, dealing with automobiles, which is another part of the debate that we will have later this afternoon. It says:

* * * The Big Three captured 71.8 percent of all sales in June, up from 69.7 percent of all sales in the month a year earlier. That left the Japanese automakers with 22.7 percent of sales, including output from North American based transplants, down from 24.5 percent a year earlier.

We are making progress. The Dreier approach would guarantee that we have the opportunity for tapping into our second largest market. And I would urge my colleagues to support the defeat of the previous question so that we can make the gentleman's amendment in order.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the distinguished gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in support of this rule, legislation I authored and the Energy and Commerce committee acted on unanimously last year would extend authority for Super 301—perhaps the most effective weapon in our country's entire arsenal of trade laws. This important authority, which requires our Government to prioritize unfair foreign trade practices and to take action if they are not corrected, has been included in the trade bill we will be considering today.

For those trade problems with foreign governments currently not being addressed by the administration, the extension of Super 301 is a critically important step that Congress, and hopefully the President, must take.

But in other areas such as Japan's efforts to open its market to competitive American autos and auto parts, the issue is not identification of problems, but instead, enforcement of commitments already made to deal with the problem. Earlier this year, the President went to Japan and obtained a commitment to increase dramatically Japan's purchases of American made auto parts. This agreement included a commitment to increase to 70 percent by 1995 the percentage of American-made auto parts that would be used in vehicles produced at Japan's transplant manufacturing facilities located in the United States.

Japan has made important commitments to the President that should benefit the United States auto and auto parts industry. Administration officials have told me that the 70 percent commitment is clearly the most important commitment Japan has made on autos, and must therefore be carefully monitored and enforced.

The trade bill now before us, unfortunately, does not contain sufficient authority to ensure Japan lives up to the commitment it made. Unless we adopt the proposed amendment which I have worked closely with the majority leader in developing, we may never even know for ourselves whether Japan has implemented the commitment to produce vehicles in the United States with 70 percent American parts. Japan's commitment and the potential it holds for creating American jobs is so great that it should not fail for lack of enforcement.

Unless Japan makes dramatic changes soon to increase its purchase of auto parts in the United States, the American auto industry, the most important manufacturing industry in our economy, will face certain and irrevocable decline.

The American auto and auto parts industry employs directly more than 1 million workers and millions more indirectly. One out of every six American workers are employed in jobs related to the auto and auto parts industry.

The auto industry accounts for 12 percent of our gross national product and is a major consumer of steel, semiconductors, glass, textiles, machine tools, rubber, and other important products.

But, this, our biggest manufacturing industry, is in serious trouble. General Motors, the world's largest auto manufacturers, announced last December that it would close 21 of its plants and lay off more than 70,000 workers around the country. And, in 1990, the United States ran up a $31.1 billion auto trade deficit with Japan. Autos and auto parts account for about 75 percent of our current total trade deficit with Japan.

The United States-Japan auto parts trade deficit has gone from $1 billion in 1980 to $10 billion in 1990. Projections by the University of Michigan are that our auto parts trade deficit with Japan will jump to $22 billion in 1994.

And why is this deficit increasing so rapidly? There are really two reasons. First, the Japanese market continues to be closed to American auto parts suppliers. Our firms exported less than $1 billion in auto parts to Japan last year.

The second reason is that even though the major Japanese automakers have set up assembly operations in this country, they import most of what they assemble here. And that's not all: In addition, they buy a great deal of auto parts from Japanese suppliers located right here in the United States. These Japanese suppliers also import a great deal of the components, parts, and materials sold to the transplants. Estimates are that only 20 percent of the total value of a Japanese transplant vehicle is actually sourced from American-owned parts suppliers that do not have an equity relationship with Japanese firms.

Two witnesses at the Commerce Subcommittee's hearings, formed joint ventures with Japanese firms, at the request of Honda and Toyota, in a vain effort to sell them auto parts for use in their assembly plants here in the United States. In both cases, the Japanese partner insisted the joint venture use Japanese equipment and components. And in both cases, prices were held below fair market levels, resulting in huge losses that ultimately the American partner had to bear.

In one case, Variety Stamping of Cleveland, OH, an American firm that attempted to sell to Honda, actually went bankrupt. Not only did it incur tremendous losses from the work it did for Honda, but it also lost contracts it had with American automakers, because of the demands Honda put on it.

One case involved Intermet, a foundry company based in Atlanta, GA, with operations worldwide, serving European and Asian as well as American automakers. According to Intermet's President, a Japanese firm that belonged to the Toyota keiretsu, or family, used his company to foot the major costs of establishing a foundry here in the United States, and then purposely bankrupted the operation so that it could take it over at a fraction of its true value.

The agreement the President got from Japan in January correctly says that Japan has got to buy more auto parts from American auto parts firms. The best place to start implementing that policy is with the seven Japanese auto transplant firms right here in the United States.

Japan itself recognizes this fact. Japan has called on all of its auto transplant firms in our country to increase the American content of the cars they produce to 70 percent. This is an important goal. But, experience has clearly shown that goals Japan has set in the past are rarely achieved. That is why we need to enact this amendment.

Under the amendment, a system would be established to monitor the progress of Japan's transplant manufacturers in achieving the 70 percent commitment. A determination that a transplant manufacturer has failed to increase the American content of the cars they produce to 70 percent would trigger mandatory retaliation by the United States under section 301.

In addition, the amendment authorizes the President to enter into negotiations with Japan to limit Japanese auto exports to the United States to 1.65 million units annually, for 7 years or until Japan's export limit to the European Community expires. Exports to the United States of 1.65 million units is the limit Japan has voluntarily set for its 1993 fiscal year ending March 31, 1993.

American auto parts sell strongly in every market of the world, except Japan. Our firms manufacture high quality auto parts. And, a recent study has shown that United States parts

producers have substantial cost advantage over the Japanese parts industry. There is no reason Japan should not buy from us, as does the rest of the world. I urge my colleagues to vote for this rule, the Gephardt amendment, and for the bill.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume to say that I am extraordinarily sympathetic with many of the concerns that have been raised here. And I think that Members are trying to take what they believe is the best approach. But what I am trying to offer with the amendment that I have proposed is a positive approach to eliminate barriers in both Japan and the United States so that we can in fact have a greater opportunity to get into the Japanese market.

Mr. Speaker, I yield 2 minutes to my very good friend, the gentleman from Del Mar, CA, [Mr. CUNNINGHAM], a hardworking member of the Committee on Armed Services.

Mr. CUNNINGHAM. Mr. Speaker, there are 400 million folks in Europe who are going to get involved in the trade market. The Asian community is very protectionist, and if we do not get involved in trade in the next decade, in fair trade and not free trade, then I think our economy is lost.

Japan trade is free trade for the United States, and I agree with my colleagues on the other side of the aisle. And I am not only sympathetic but I am supportive of many of the ideas that are coming across, the 1 percent auto penetration on parts and the industries that have been destroyed, I agree with my colleagues fully.

I do see the amendment of the gentleman from California [Mr. DREIER] as trying to open up our lines so that we can trade in the other direction. I know that we are concerned about the jobs. In the Merchant Marine and Fisheries Committee we just had an issue come up where we have lost 157 tuna boats, and we are down to 3 now because of not only trade with Mexico, but because of environmental concerns. We are losing about 600 jobs in San Diego, and my own administration is fighting that. So I am looking very closely at how many jobs we lose.

But I think we really need to look as we get involved in trade in the future, which I believe this country is going to do; we need to establish a fair trading practice, and the Dreier amendment does this. That is why I support the Dreier amendment. And it is a bipartisan amendment. It failed by a tie vote in the Rules Committee, a 4-to-4 vote. So we need to take and at least debate this issue on the floor.

I would support and ask my colleagues from the other side and this side as well to support the defeat of the previous question and to allow us to trade in the other direction, toward Japan, and make it fair trade, not free trade, because Japan is skinning the United States alive.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentlewoman from Ohio [Ms. KAPTUR].

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

Mr. Speaker, today the House will tackle the Super Bowl issue of world trade; namely, Japan's closed market practices in automotive trade. And let me just say that the link between trade and jobs is absolutely direct. For every $1 billion of goods that America exports someplace else, we create 23,500 jobs here at home.

□ 1140

For every billion dollars of goods that we import, we create those jobs someplace else. As you look at how America has done over the last several years, we have moved into trade balance with most nations of the world.

With Western Europe, we hold a surplus, last year of over $16 billion. All those jobs were created here because we sell those goods elsewhere. And we have moved into trade balance with the Soviet Union, with Egypt, with Mexico, with Turkey, with Kuwait—and with Korea and Taiwan—our deficits have severely narrowed.

But of all the 150 nations in the world, the United States deficit continues to grow with one nation and significantly, and that nation is Japan.

If you look at the composition of that deficit, last year it totaled over $66 billion, and resulted in jobs created there, not here. Most of that deficit—nearly half—was in the automotive sector.

This is the big nugget that we have to crack. If you think about the decade of the 1980's, our auto gap with Japan cumulatively totaled $282 billion, a overall loss of 5 to 7 million jobs in this country.

This chart tells it all. It demonstrates which market is open and which market is closed to automotive goods.

In our country today, nearly one-third of our auto market is composed of Japanese goods, but in Japan less than 3 percent of its automotive market comes from anyplace else in the world.

Support the Gephardt-Levin amendment to H.R. 5100. It is a market-opening mechanism. America has waited long enough. Vote for Gephardt-Levin. Vote for jobs in America and open Japan's closed procurement practices.

Mr. DREIER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE], a very strong proponent of free trade.

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

Mr. Speaker, I do rise in opposition to this rule and urge that we defeat the previous question so that we can debate and discuss the amendment which my colleague, the gentleman from California, offered in the Committee on Rules. That amendment is a sense of Congress that we ought to have, or we ought to negotiate, a free-trade agreement with Japan.

It is interesting that I am speaking immediately following my friend and colleague, the gentlewoman from Ohio, with whom I share the cochairmanship of the congressional competitiveness caucus. We agree on a lot of things, but we have a very fundamental disagreement on the issue of how do we open up markets for trade, and what is the best approach for doing that.

I think we see here today very clearly the juxtaposition in the approach being taken by the Gephardt-Levin amendment over on that side with the positive approach offered by Mr. Dreier. One side says we are fearful of the future, we do not believe American industry can compete, we must raise barriers, we must stop goods from coming into the United States, we have to raise those barriers, retaliate. It is the negative approach to opening up markets.

As my colleague from Ohio pointed out, we have a surplus with a number of other countries, with Mexico, with Egypt, with other countries such as that.

What would we say if they were to say to us, "Well, you have a surplus and we have a deficit with the United States. We must stop the United States from selling more goods in our country."

Trade is not a zero-sum game. Trade is not something that you can absolutely even out with every single country.

The point is we are moving in the right direction, that of narrowing the trade gap.

When are the people on the other side of the aisle ever going to understand that Smoot-Hawley did not work in the 1930's, and it is not going to work today?

The answer is a positive approach, something that helps make our industrial sector more competitive. That is what the gentleman from California [Mr. DREIER] is suggesting here today. It is the flip side of that negative approach offered by the Democrats. It is one that says, yes, American industry can compete; yes, we can open markets; yes, consumers can have choices and can have lower prices; and, yes, the people who work at the Honda plants in the United States and the Toyota plants in the United States can be proud of their jobs and proud of the products that they produce.

I urge us to defeat the previous question and debate a positive approach to trade in this country.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes

to the gentleman from Ohio [Mr. TRAFICANT].

Mr. DREIER of California. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I am going to support the rule and support the bill. It is going to make us all feel good. It is going to do very little.

America does not need another trade law. America should start out by enforcing the trade laws that we have. That would be a novelty.

I think it is time for Congress to ask themselves a question here today: Why would you invest $100 billion in your own hometown to manufacture widgets? You have OSHA, EPA, workmen's compensation, unemployment, pension law, banking regulations, security regulations, minimum wage, health inspectors. Why not just go to Mexico with no regulations and hire people all day at 50 cents an hour, and they are standing up in line?

Now, that is where I do agree with the gentleman from California [Mr. DREIER]. Instead of Congress developing a so-called free-trade agreement with a nonregulated, bankrupt economy that has no reason to buy our goods, why are we not trying to penetrate Japan? And I give him credit.

And I hope the leadership is telling me the truth, because I am going to stay with my leadership on this, but I do intend to follow through and make sure that the gentleman from California [Mr. DREIER] has an opportunity to bring his program to the floor.

I just want to state this. Today I was supposed to have a little more time, but I usually get screwed.

I object to the selling off of America.

I appreciate the time.

I will say that again: I object to the selling off of America piece by piece to foreign interests who are beginning to own us lock, stock, and barrel. I object to the illegal trade practices of Japan and other nations who have taken this so-called free-trade business and made it a free-ride gravy train. I object to this free-trade agreement with Mexico and would advise Congress to follow the ideas of the gentleman from California [Mr. DREIER] on this issue and look at a free-trade agreement with Japan, and as a priority, before that.

But, more importantly, this might get me in some trouble, but I object to a wimp Congress who has allowed our jobs to go overseas in record numbers, allowed bankruptcies in record numbers and come back with token legislative initiatives that might make us feel good, make us go home and tell everybody about what we are doing for our workers while they are in an unemployment line, stone cold busted.

I will support the rule. I am going to support the bill. I am a little disturbed, as many people are in my district, with the fact that these laws are relatively streamlined with but few Americans writing them who seem to have a lock on what is good for our country.

Our country is going to hell, and I object to these elitists who are writing all of our laws.

This will be the last trade bill I will support, because Congress does not enforce the damn trade law that we have. We need a little more enforcement and less legislation.

Mr. DREIER of California. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Speaker, I thank the gentleman for yielding me this time. I think eastern Ohio is going to have its word.

I rise to support the Dreier approach to this, but in order to get to that, we have to defeat the previous question.

I am going to support the bill, and I may well support the rule on this. But simply, I think what he wants to do is just to open up the Japanese ports of entry to American productivity, to open it up to free and fair trade. That is all we are asking for, to eliminate discriminatory practices, unfair practices which the Japanese practice against U.S. products.

Now, what is the matter with that? There is nothing wrong with that at all, and that is all that American industry, that is all American workers are asking to do.

Let me tell you this. America produces a better quality product than any other country in the world including Japan, and we can do it at a better cost. America gets more out of their workers than the Japanese get. They get more out of their workers than any other country in the world gets. Yes, that is right.

But, you know, the Japanese only play by their rules. They do not play by the American rules. They do not play by what is fair, and they certainly do not play by ours.

The Japanese call the shots in the world market today on trade, and the White House and the Congress fall flat on their face every time the issue comes up.

When are Americans going to wake up and tell their President and tell the Members of Congress that represent them to get the hell off their duffs and do something for them for a change?

You know, they have a Japanese keiretsu, and that is a closed corporate society. Try to get into it. Ask T. Boone Pickens when he invested $1.25 billion in buying a company over there.

□ 1150

You cannot get in. They know how to play the game and the United States is nothing but a patsy to them. We allow them to buy our banks, our farms, our timber; Columbia Pictures, all those beautiful movies that we have looked at for so many years; Houston, New York, they buy everything that they want.

Well, try to do that in Japan. I guarantee you, they will throw you out of the country. That is what they did with Mr. Pickens.

I say let us do something right for a change. Let us vote for America.

I say support H.R. 5100. It may not be the best bill in the world, but at least it is a start.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise in support of the rule to consider H.R. 5100 and urge Members to vote for it and vote for the previous question.

Frankly, the proposal being offered by our colleagues on the other side of the aisle is simply more good intentions. If there is anything we can do less than legislate, it is to pass a sense-of-Congress resolution, and that is what my colleague proposes as his major tool to help out and for us to address this particular issue.

Mr. DRIER of California. Mr. Speaker, will the gentleman yield?

Mr. VENTO. I have very little time, but I will yield to the gentleman from California.

Mr. DRIER of California. I would say to the gentleman, Mr. Speaker, this is not a sense-of-Congress resolution which I am hoping to offer.

It calls on the President within 60 days of enactment to begin negotiations with the Japanese.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. DERRICK. Mr. Speaker, I yield 1 additional minute to the gentleman from Minnesota.

Mr. VENTO. This President, as a Vice President and President, Mr. Speaker has had 12 years to address this particular issue, so I really do not think we ought to postpone this for 60 days and then come back and try to revisit it. I think that is a policy path that offer little prospect of hope to the American people.

Mr. Speaker, what we need in this country is an economic strategy to deal with the problems as we have, and clearly part of that is a tough, effective, fair foreign trade policy, not the assembly plants in this country with foreign parts, Mr. Speaker. We need a real manufacturing base in this country. Every modern nation has established that as a criteria. We need it in terms of jobs. We need it in terms of our defense industries, we need it in terms of the welfare of this country and of our future, whether it is in textiles, or a whole host of areas. We need the National Government engaged in trying to provide decent jobs and good wages and work for the people of this country, rather than jobs in boutiques and hamburger shops flipping burgers.

We need real jobs, and the way we are going to get them is by pulling together and recognizing where we are.

I have had plenty of problems in my area of Minnesota where Honeywell under the intellectual property process, under court cases, lost the entire camera business because someone took that intellectual property and used it. We get back a couple hundred million dollars and lost a multibillion-dollar industry to a country that did not respect the rights of our agreement.

Mr. Speaker, it is time for a change. It is time to pass H.R. 5100 and this rule.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I might consume to say to my good friend, the gentleman from Minnesota, that what he has done is raise some very important concerns and questions, and what I am offering is a very positive approach to try and deal with those concerns.

Mr. Speaker, I am very pleased to yield 3 minutes to my friend, the gentleman from Copper Canyon, TX, Mr. ARMEY.

Mr. ARMEY. Mr. Speaker, we are in for a treat today. We are going to discuss the issue of trade. It is in the discussion of trade more than any other discussion we might have that a Democratic majority, dominated as they are by the liberals in their caucus, will show their penchant for misinformation, incorrect data, which they will pose as facts, and their utter contempt for the understanding of the American people, as they advocate protectionism, the destruction of consumer rights, and the destruction of jobs in America.

What is sad is that on this subject issue, normally sane and rational people on our side of the aisle sometimes tend to join them in their misunderstanding, their misrepresentation, and their misinformation.

Be that as it may, Mr. Speaker, what we have is a bill brought by the Ways and Means Committee, with 23 Democrats and 13 Republicans, a bill that the committee used to delete a provision offered by the majority leader which is absolutely insane and seen to be so by the committee.

Now the majority leader has gone to the Rules Committee with its nine Democrats and its four Republicans and asked to have this insane provision that will destroy jobs all over America included in the rule and permitted on the floor to be offered and debated, while at the same time the Rules Committee denied the right of the gentleman from California [Mr. DREIER] to offer one of the most sensible propositions ever brought to this body to expand trade, expand job opportunities, expand consumer rights of the American people.

We are not even allowed to introduce and discuss this positive thinking option, while at the same time we are required by this rule to discuss an option offered by the gentleman from Missouri [Mr. GEPHARDT], the distinguished majority leader, that is so insane that it was even rejected by the majority of 23 people on the Ways and Means Committee.

Now, we like to characterize this as the greatest debating society in the world. Mr. Speaker, it cannot be that if free, open, and complete debate is not allowed by the implementation of Democrat rules by the Democrat majority on the Rules Committee.

The only recourse left to the gentleman from California [Mr. DREIER] if we are going to entertain any discussion about a sensible option for the American people is to ask us to vote "no" on the moving of the previous question so he can win the right assumed by most Americans to be his right, assumed by most Americans to be a right that will be naturally honored in a democratic institution, he can win that right by a vote to offer his amendment so that the majority of Americans can have debated on this floor the amendment that might save their jobs and save their rights as consumers.

Mr. Speaker, I say vote "no" on the previous question; vote for democracy.

Mr. DREIER of California. Mr. Speaker, I am very happy and privileged to yield 2 minutes to my very good friend, the gentleman from California [Mr. RIGGS], a hard-working freshman Member of the so-called Gang of Seven.

Mr. RIGGS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, we are going to hear a lot of comments made today that will obviously smack of regional chauvinism, so let me get my disclaimer out of the way at the outset, with no disparaging comments meant toward my colleagues from the Rust Belt.

Let me just join with my colleagues from the Rules Committee, the gentleman from California [Mr. DREIER], in stating that we are concerned about the impact of this legislation on our State of California, the gateway to the Pacific rim. Asian trade is obviously crucial to the welfare and the future of our regional economy in California.

Therefore, Mr. Speaker, those of us who represent California believe that it is vitally necessary that we move in the direction of reciprocity in trade relations with the Japanese. We see the world as an ever smaller place and understand that our businesses and industries more than ever before are competing in a global economy. That is exactly why we need an amendment, such as the Dreier amendment. It would incentivize our trading relations with the Japanese and narrow our trade gap with Japan.

□ 1200

And incidentally, Mr. Speaker and colleagues, if we are further concerned about narrowing the trade deficit with the Japanese, it seems to me that we ought to get our fiscal house in order here in our Nation's Capital and stop relying on the Japanese and other foreign investors to finance our budget deficit.

Mr. Speaker, free trade does mean fair trade, but without the need to resort to protectionistic tactics such as we see in the Gephardt/Levin amendment, without the need to resort to tariffs, quotas, and duty fees.

Let us have a fair rule, one that would permit the gentleman from California [Mr. DREIER] to offer his amendment, not a closed rule that would recognize our economic relationship with Japan entails more than just automobile parts and rice.

Let us give our trade negotiators every means, let us put at their disposal every means to tackle the tough job of prying open foreign markets within Japan.

Vote to defeat the previous question on the rule so that we can debate the merits of the Dreier amendment on the House floor.

Mr. DREIER of California. Mr. Speaker, I am happy to yield 3 minutes to my very good friend, the chairman of the Republican Research Committee, the gentleman from California [Mr. HUNTER], who was originally from Colorado but now in from San Diego.

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Speaker, I am going to vote against the previous question not because I think that the trade amendment is too tough but because I think it is not tough enough. My amendment that would have limited the Japanese entry into the United States to about 80,000 units a year, or about 150 percent of what they allow into their country, was denied by the Committee on Rules. But I am going to support the Gephardt amendment.

And I guess the question I would ask my Republican colleagues is: "Do you want to come out of the recession?" I think we all do. With the auto industry being as important as it is and yet operating today at about 62 percent of capacity, the conclusion that we must reach is if we do not bring about the recovery of the American automobile industry, we are going to be in a recession for a long time.

Now, I thought the Economic Strategy Institute's report was quite a good report, and that is going to be used by a number of people on both sides of the aisle to support H.R. 5100 and the domestic-content provision.

But one point I would make to my Democrat friends is this: One aspect that Mr. Prestowitz addressed in that particular report was to the effect that the automobile industry suffers also not just because of unfair trading practices with Japan but also because of the cost of capital in the United States to the tune of about $400 per vehicle.

So while a number of Republicans are agreeing with that particular amendment that is going to be offered, I think it is important for members of the Democrat leadership to realize that the cost of capital is something that ultimately they are going to have to come to grips with.

Right now, the automobile industry provides about 4.5 percent of our gross national product; it provides about 1 in 6 jobs in America; it employs about 6 percent of our engineers and scientists. And the idea that we can sit idly by while this industry disappears under the weight of unfair Japanese trading practices is not one that we should embrace.

You know, it is ironic that the Members on the Democrat side of the aisle are offering this amendment in concert with a number of Republicans, but that it is not a Republican, primarily, sponsored amendment because the President received a commitment from Japanese leaders in January of 1992, when they said that they would, and they put this in writing, that they would increase domestic content in their transplant plants in America to 70 percent.

That meant that more Americans would be working.

What this amendment does is codify that commitment made by the Japanese. It gives meaning and value to the President's trip to Japan.

Now, we as Republicans should want to do that, and we should be supporting the Theodore Roosevelt/Abraham Lincoln/Prescott Bush position on tough trade and not adhering to the Grover Cleveland position that Mr. ARMEY referred to and now embraces.

If you want to give value to the President's trip and to his negotiations with the Japanese in this year, then support that amendment.

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

Mr. Speaker, there have been some very legitimate concerns raised here on the House floor. They have been raised in the Committee on Ways and Means and upstairs in the Committee on Rules, and I am sympathetic with the concerns that are shared throughout this country.

Mr. Speaker, we are treated unfairly in markets throughout the world. It seems to me that the only way that we can deal with the unfair treatment that we have gotten in the past is to try and negotiate free-trade agreements.

Mr. Speaker, anyone who is opposed to this concept is literally sticking their head in the sand. As we have witnessed over the past several years, the explosion of satellite technology, cellular telephones, jet travel, we have clearly seen the world shrink. We know that the United States of America cannot stand alone.

Yes, we are the world's only complete superpower, militarily, economically, and geopolitically. But that will fade if we believe that we can stand alone. We cannot. We are watching, as my friend from California, Mr. CUNNINGHAM, said earlier, the emergence of EC '92 on December 31 of this year. We have seen countries in Latin America unite in free trade agreements:

We are right now in the midst of negotiations for a North American free trade agreement among Canada, the United States, and Mexico. We have seen nations in the Pacific rim unite as trading blocs. And if we are going to try and benefit consumers and producers, we have got to try to reduce trade barriers that exist between Japan and the United States of America.

The proposal in H.R. 5100 is a very strong, harsh, and negative approach which, quite frankly, I oppose. It penalizes American workers, it has other provisions in it which I believe would be very bad for U.S. consumers and producers.

What I am trying to offer as an alternative is a positive sign.

Yes, my amendment goes in the opposite direction of H.R. 5100. That is because this bill goes in the opposite direction of 40 years of U.S. trade policy.

My amendment offers what I truly believe is a very positive approach to a serious problem. It is not some brilliant new idea that I came up with.

Back in 1988 Mike Mansfield, the former majority leader of the United States Senate, who was ambassador to Japan, said that the wave of the future would be for us to move in the direction of a United States/Japan free trade agreement.

In the summer of 1988, in Foreign Affairs magazine, two former Secretaries of State, Cyrus Vance and Henry Kissinger, united and wrote an article which strongly supports the concept of a free trade agreement with Japan.

We have seen a wide range of people on both sides of the aisle support the concept of reducing those barriers. What it is that I am trying to do here, I am simply trying to get an opportunity to offer my amendment. Mr. Speaker, up in the Committee on Rules, as has been said, we had bipartisan support, which is, frankly, very unusual, bipartisan support for my attempt to offer this amendment. I failed on a 4-to-4 tie.

My friend from South Carolina, Mr. DERRICK, managing this rule has said that I have an opportunity on the recommittal motion to bring this forward. But I really do not, because I am not a member of the Committee on Ways and Means, I am not the senior member of that committee who opposes this bill.

So my right is not there. It has been ignored.

We do, every Member of this House has an opportunity coming up to defeat the previous question so that I can insert my amendment and do what many people on both sides of the aisle have argued in support of over the past several minutes, and that is the establishment of negotiations, just negotiating to bring about that agreement so that we can have the American producers say, "Yes, I do have an opportunity to sell this terrific product which I am manufacturing in Japan."

That is all we want to create. I just want the chance to argue it here on the House floor.

So, Mr. Speaker, I urge opposition to the previous question so that we will have an opportunity to insert this, and then we will be able to proceed with what I think should be a very clear and very fair debate.

Mr. BROOMFIELD. Mr. Speaker, less than a week before the opening of the Democratic Convention, we are presented today with a bill that seeks to make a partisan issue out of our current efforts to open up foreign markets and liberalize the rules of global trade.

Just when our trade negotiators are within reach of agreements that will increase our exports and create more jobs in this country, we are being asked to vote on a measure that moves us in the opposite direction of adversarial trade in which every country loses.

With the recent growth in the U.S. trade deficit, it is very tempting to turn away from the administration's market-opening trade strategy and start down the road of managed trade solutions to the problems facing our auto industry.

The bill before us today, H.R. 5100, the Trade Expansion Act of 1992 offers Members a clear choice on the future of our trade policy: We can follow the present course of opening up foreign markets, including the Japanese auto market. Or, we can lock in mandatory trade investigations and procedures that will only invite retaliation from Japan and the European Community and jeopardize the progress of the ongoing Uruguay round of global trade talks.

I am well aware that last year was the worst year on record for the Big Three, and, as the supporters of this legislation point out, the Japanese market is not sufficiently open to our auto and auto parts exporters.

But the majority of the companies making cars in this country have said that they do not need or want this legislation. I would also point out to my colleagues that any attempts today to freeze the total number of Japanese vehicles sold in this country will pit one company and its workers against another and invite retaliation against United States exports in overseas markets.

Some have maintained that restrictions on imported Japanese vehicles and those manufactured in American transplant facilities are no different

than restrictions the European Community established in its 1991 voluntary restraint agreement with Japan.

The text of the EC agreement, however, tells a very different story: There are no restrictions on Japanese transplant production in the EC. The United Kingdom in particular insisted that no limits be put on the growing number of Japanese auto factories springing up in the English countryside.

Faced with rising unemployment, local government authorities in Great Britain cannot afford to turn their backs on the jobs these plants create. Likewise, our local and State governments find that it is in their interest to promote the construction of new transplant facilities in Michigan, Tennessee, Ohio, and other States.

Mr. Speaker, I am concerned that implementation of this bill could provoke foreign counterretaliation against our exports. If, for example, Japan and the European Community were to impose higher tariffs against the largest United States export sectors, we could lose up to $35 billion in exports—and some 400,000 export-related jobs in my State of Michigan alone.

This bill represents a shotgun approach to the problem, with our own auto industry as the target. It is being touted as a shot across the bow of the Japanese. In reality, however, its adoption could mean higher costs to the American consumer and increased profits for all car manufacturers, including those based in Japan.

I urge my colleagues to vote against this market-closing, partisan bill that could jeopardize future job growth in this country.

Mr. DREIER of California. Mr. Speaker, I yield back the balance of my time and urge a "no" vote on the previous question.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on ordering the previous question.

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

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

The SPEAKER pro tempore. 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 247, nays 167, not voting 20, as follows:

[Roll No. 270]

YEAS—247

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bacchus
Barnard
Beilenson
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Ray
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Waxman
Wheat
Whitten
Williams
Wilson
Wolpe
Wyden
Yates
Yatron

NAYS—167

Allard
Allen
Applegate
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lewis (CA)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Paxon
Petri
Porter
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—20

Alexander
Bonior
Engel
Frank (MA)
Hatcher
Hefner
Jefferson
LaFalce
Lent
Lewis (FL)
Mollohan
Nowak
Ridge
Savage
Slattery
Traxler
Washington
Waters
Weiss
Wise

□ 1229

The Clerk announced the following pair:

On this vote:

Mr. Weiss for, with Mr. Lewis of Florida against.

Mr. MORRISON changed his vote from "yea" to "nay."

Mr. PENNY changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the resolution.

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

RECORDED VOTE

Mr. DREIER of California. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 252, noes 163, not voting 19, as follows:

[Roll No. 271]

AYES—252

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Barnard
Beilenson
Bennett
Berman
Bevill

Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Campbell (CO)
Cardin
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Ray
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Scheuer
Schroeder
Schulze
Schumer
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Waxman
Wheat
Whitten
Williams
Wilson
Wolpe
Wyden
Yates
Yatron

NOES—163

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lewis (CA)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Paxon
Petri
Porter
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—19

Alexander
Bonior
Byron
Carper
Engel
Frank (MA)
Hatcher
Hefner
Jefferson
Lent
Lewis (FL)
Ortiz
Savage
Slattery
Traxler
Washington
Waters
Weiss
Wise

□ 1448

The Clerk announced the following pair:

On this vote:

Mr. Weiss for, with Mr. Lewis of Florida against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5100, the Trade Expansion Act of 1992.

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

There was no objection.

TRADE EXPANSION ACT OF 1992

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to House Resolution 510 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5100.

□ 1250

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5100) to strengthen the international trade position of the United States, with Mr. VALENTINE in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 45 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 45 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

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

Mr. Chairman, I rise in strong support of H.R. 5100, The Trade Expansion Act of 1992, a bipartisan bill designed to strengthen the international trade position of the United States. When the bill was introduced 2 months ago, I expressed the hope that H.R. 5100 would provide the vehicle for all of us to come together to tackle our Nation's trade problems. We have listened carefully to concerns which were expressed about the introduced bill by the administration and others. As a result, the bill was improved significantly as it moved through the Committee on Ways and Means.

The most significant change to the introduced bill was the deletion of the most controversial provision, which called for negotiated limits on the sales of Japanese automobiles in the United States. The committee also deleted a sense-of-the-Congress provision which called on the President to look at countries that maintain persistent trade surpluses with the United States in designating priority countries and practices under the renewed Super 301 authority. In addition to these significant deletions, the committee adopted several amendments, offered by Members on both sides of the aisle, to further improve our U.S. trade laws, particularly as they relate to nonmarket economies and foreign unfair trade practices.

Mr. Chairman, I am disappointed that, notwithstanding the significant changes in the introduced bill, the administration continues to be unwilling to work with the Congress to enact a meaningful trade bill. The administration continues to oppose this bill as if none of these improvements had been made. I am gratified, however, that a number of my colleagues on both sides of the aisle now recognize this bill for what it is—a useful tool to open markets abroad without closing them here at home.

Unfortunately, the administration would prefer not to have any trade bill

this year, preferring for us to wait until the Uruguay round of the GATT and a North American Free-Trade Agreement can be successfully negotiated. As a Member who supported the extension of fast-track authority to pursue such negotiations and who worked diligently for its passage, I don't believe we can afford to wait any longer. We have waited patiently for over 18 months while one deadline after another has passed in Geneva. In my opinion, passage of this legislation will send a strong signal to our trading partners about the importance the United States places on open markets and could well provide the necessary impetus to get the GATT negotiations finally moving forward again.

Furthermore, we all recognize that neither the Uruguay round nor the NAFTA, even if successfully negotiated, will fundamentally address our major trade problem—that is, our country's persistent trade deficit with Japan. As the Uruguay round continues at an impasse with the European Community over agricultural subsidies, our economic situation continues to deteriorate. Increasing numbers of United States jobs are being lost due to layoffs and plant closings as the United States continues to absorb more and more Japanese imports, while the Japanese market has been opening only slowly, if at all, for United States exports, particularly in the automotive sector.

While the United States trade deficit with the world has been cut in half in recent years, our deficit with Japan remains stubbornly high. The United States trade deficit with Japan was $57 billion in 1987. Despite the administration's claims of success about opening the Japanese market, the trade deficit with Japan remained at $43 billion last year. Over two-thirds of that deficit was in autos and auto parts. Our trade deficit with Japan is expected to worsen again this year. Meanwhile, Japan's trade surplus with the rest of the world was $78 billion last year, up from $64 billion in 1990.

Mr. Chairman, I believe that H.R. 5100, as reported by the Committee on Ways and Means, is both responsive to the trade problems this country is facing and is responsible. The provisions are consistent with our international trade obligations.

The bill would extend the Super 301 authority which was enacted in the 1988 omnibus trade bill and proved effective in opening markets during its 2-year existence. Its extension will give the administration an important tool to pry open foreign markets which are now closed to U.S. exports. The bill also incorporates the provisions of the Trade Agreements Compliance Act, which provides an effective mechanism for private parties to work with the Government to ensure that market-opening commitments made by our trading partners are fully carried out.

The bill seeks to open the Japanese market to United States exports of automobiles and automobile parts through the mandatory initiation of a section 301 investigation and negotiation of an access agreement. Such an agreement should remove existing barriers to United States exports of motor vehicles and parts, and provide for the prompt implementation and enforcement of prior commitments made by the Japanese Government in this important sector.

The bill also creates a more effective mechanism for preventing circumvention of outstanding antidumping and countervailing duty orders. It also includes a number of other provisions to strengthen these laws in a GATT-consistent manner. The bill also expresses the congressional position that the administration must remain strong in resisting efforts to fundamentally weaken the dumping and countervail laws in the Uruguay round.

Among the other important provisions in the bill are the Customs Modernization Act, which the Committee on Ways and Means carefully crafted, in consultation with all interested parties, to streamline customs procedures for processing merchandise to the benefit of both the Government and the private sector. The bill also includes a mandate to negotiate international agreements to address the trade problems resulting from private anticompetitive behavior, a strengthening of the authorities to promote adequate protection of intellectual property rights by foreign countries, and a provision to extend the enforcement authority for the recently negotiated agreements on machine tools with Japan and Taiwan.

Mr. Chairman, I recognize that H.R. 5100, even in its improved form, is not the answer to all of our Nation's trade problems. I strongly believe, however, that this bill represents a critically important step forward in resolving these problems. We must work together to put our economic house in order and this legislation can contribute significantly to that end.

I urge bipartisan support for this vitally important trade bill.

□ 1300

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

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

Mr. Chairman, I strongly oppose H.R. 5100.

Thump, thump, thump. Here we go again, the sound of the approaching drums ordering our forces to the front lines of protectionism. Enactment of this legislation would threaten U.S. competitiveness and undermine current bilateral and multilateral negotiations.

Mr. Chairman, protectionism historically has never worked to achieve the goals of its proponents. This legislation discriminates against some American workers and erodes our export potential, export potential that has created over 70 percent of all of the new jobs in this country in the last 40 months. The President is certain to veto it.

Why do some advocate legislation that carries such risks? The answer is simple. Japan. Because of aggressive production and export policies, Japan has established an economy that is both admired and feared.

But, let's get the facts straight. Japan does account for a large part of our overall trade deficit; however, the United States trade imbalance with Japan fell from a peak of $60 billion in 1987 to about $40 billion in 1990.

The fact remains that Japan is our largest market for exports of agricultural products and our second largest export market overall.

In auto parts alone, Japan has increased its purchases from $1.7 billion in 1986 to $10.5 billion in 1991. Japanese firms have pledged to buy $19 billion by 1994.

Yes, there has been progress. Not enough, but we must continue to pursue this aggressive approach to open the Japanese markets and to encourage more purchases of our products.

H.R. 5100, however, has generated opposition from U.S. businesses, farmers, and consumers. It is opposed by more than 30 trade associations and other groups.

Later today, a discriminatory auto amendment, offered by Congressmen GEPHARDT and LEVIN on behalf of domestically owned auto producers, will likely be added.

American workers in transplants firms, already disadvantaged in the bill as reported, will suffer further harm. We cannot allow the dead weight of this legislation to drag down our economy and to pit one American worker against another.

U.S. trade policy should be grounded in tough negotiations and trade laws that protect all workers equally.

This bill does none of these things. Also, the bill relies on directed scorekeeping, a violation—a clear violation—of the budget agreement.

This is not the time to undermine our efforts in the Uruguay round and the NAFTA. Senior advisors to the President, including Ambassador Hills, have stated clearly that they will recommend a veto.

I strongly urge my colleagues to oppose H.R. 5100.

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

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I rise in strong support of H.R. 5100.

As world events continue to unfold, it is becoming clearer and clearer that our national security in the 21st cen-

tury will be as dependent on our economic vitality as our military might. We have already demonstrated that we are the preeminent military power in the world. Now, we must concentrate on expanding our economic opportunities throughout the world.

We can start today by passing the Trade Expansion Act. This legislation begins the process of putting teeth back into our trade laws. It requires the administration to be more aggressive in removing unfair trade barriers. It makes it clear that the U.S. Congress is serious about opening new markets and creating new job opportunities for Americans.

Our success overseas was one of the few bright spots of 1991. When the rest of the economy was fairly static, U.S. exports continued to increase. The United States sent 422 billion dollars' worth of goods overseas last year—a new record. This success was achieved despite the many and pervasive barriers to trade that exist in Europe, Asia, and South America.

But, we can and should do more. American industries can compete with anybody if the international marketplace is fair. Our Government must give them that opportunity. This bill will put Government back on the side of American industry and American workers.

Mr. Chairman, I also want to highlight a particular provision of H.R. 5100 which is very important to rice growers in northern California. Section 103 of the bill seeks to open up new markets in Japan, Korea, and Taiwan for American rice products.

Freer rice trade has the potential to bring in an additional $1 billion in revenue for the U.S. rice industry. That means jobs at the farm level, jobs at the service level, and jobs in the trucking and shipping industries.

These barriers to rice trade are in clear violation of the GATT as well as our own trade laws. Yet, each of these countries has rejected overture after overture to negotiate freer trade for U.S. rice products.

The Trade Expansion Act will force the United States Trade Representative to bring Japan, Korea and Taiwan to the table to negotiate an agreement on rice trade. If they do not, then the Trade Representative will be required to respond through trade sanctions or through the suspension of existing trade concessions.

Finally, I want to commend Chairman ROSTENKOWSKI and Majority Leader GEPHARDT for their leadership in bringing a sound trade bill to the floor today. H.R. 5100 is a fair trade bill that promotes business and job opportunities in the United States. I urge my colleagues to support this important measure.

Mr. ARCHER. Mr. Chairman, I yield 3½ minutes to the gentleman from Illinois [Mr. CRANE], the respected ranking member on the Subcommittee on Trade of the Committee on Ways and Means.

Mr. CRANE. Mr. Chairman, I thank my minority leader for yielding me the time.

Mr. Chairman, this bill is little more than a rag tag collection of special interest trade provisions. Antagonizing our trading partners, on the eve of the culmination of two major trade negotiations, amounts to nothing more than election year mischief making. We owe our constituents more than to sacrifice the greater good of export-led economic growth for the isolationist trade policies of H.R. 5100.

I wish to remind my colleagues that the stakes are high. Designed to undermine the President's trade policy, H.R. 5100 would jeopardize the outcome of the Uruguay round of trade talks. Scheduled for completion early next year, 108 nations are seeking agreement on rules to modernize and strengthen the global trade system. No one disagrees that it has been a tedious and difficult process trying to find common ground among so many cultures and governments.

But success is within sight. The draft text, if ratified, holds the potential for a one-third reduction in tariffs and quotas worldwide. As the world's greatest exporter, the U.S. economy has the most to gain of any country. Prying open these foreign markets to U.S. exports is anticipated to create $1.2 trillion of growth in our economy. Ambassador Hills reminds us this is like issuing a check to every American family of four for $17,000, payable over the next 10 years.

H.R. 5100, however, darkens the sky for this prospect. By extending the Super 301 statute so that USTR is required to post a list of trading enemies and threaten retaliation weeks before the President must come to closure on the Uruguay round agreement is to doom the effort. It also seriously threatens the NAFTA negotiations where the United States has even more to gain.

Similarly, it makes no sense to legislate unilaterally in the dumping area at this delicate time. U.S. negotiating objectives in dumping have been hammered out between the administration, Congress, and the business community. Balancing the interests of all concerned, domestic producers as well as U.S. industries who are battling protectionist dumping statutes in their export markets, has been a hard fought exercise.

We need to let the negotiations on dumping and subsidies be completed. Otherwise, we disrupt these negotiations and subject our own producers and exporters to unpredictable and ever changing rules. H.R. 5100 would expand the current circumvention law so that many innocent firms would be subject to fines for engaging in normal business practices. These rules would have to be changed again next year when Congress implements the results of the Uruguay round.

Another onerous provision of this bill is the mandatory 301 action in only two sectors—rice and auto parts. This is clearly discriminatory and diminishes the market access objectives of a myriad of other U.S. industries. All sectors of the economy deserve equal protection under our trade laws. In my view, it is not appropriate to give foreign governments the impression that Congress cares most about only two sectors of our vast economy.

Arguments over the auto and auto parts issue have been vocal and intense. This industry, which is supplying the momentum behind H.R. 5100, has become increasingly expansive in its demands for special treatment. Already, it has enjoyed more than 10 years of quota protection. As we found with the steel industry, such protection merely breeds noncompetitiveness and the desire for more protection.

Furthermore, discrimination against auto workers employed by Japanese owned auto parts firms still haunts the bill. Under the provision demanding a mandatory section 301 for auto parts, USTR is charged with negotiating improvements in market access only for U.S.-owned auto parts companies. The economic future of U.S. workers employed by foreign owned firms—even if these workers do the same job just across the street in the same town—is apparently not important.

The list of problems in H.R. 5100 is a long one. It includes a unilateral increase in bound tariff rates on iron and steel pipe and tube that could entitle our trading partners to retaliate against other U.S. industries of their choosing. Also in the bill is a provision creating a redundant review of existing trade agreements that would cost money and tie up even more of USTR's resources in redtape.

Rather than pursuing the failed policies of H.R. 5100, Congress should move on proposals that will enhance U.S. trade interests, benefit the U.S. economy, add to the export-led recovery, and create jobs. Completing and implementing the NAFTA and the Uruguay round, early passage of the Customs Modernization Act and enactment of procedures to more effectively deal with State-controlled economies in the post-U.S.S.R. era are more appropriate priorities for Congress than H.R. 5100.

I urge my colleagues to vote no on H.R. 5100 because it is a counterproductive, inward looking piece of legislation which will damage the American economy.

□ 1310

Mr. ARCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SCHULZE], a respected member of the Committee on Ways and Means.

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

Mr. Chairman, I am pleased that the legislation before us, H.R. 5100, incorporates proposals which I have been working on for many years.

The first such provision serves to enhance the protection of U.S. intellectual property rights by amending the existing special 301 statute.

Current special 301 is geared more toward ensuring protection for patents after they have already been granted. This is especially important in dealing with patent piracy in developing nations.

We must now realize that many developed nations have become quite adept at using so-called pre-grant patent abuses to unfairly delay or prevent the issuance of patents to foreigners, thus stifling trade.

Because effective intellectual property protection is key to a firm's ability to market products abroad, I have long stressed the need for global patent law harmonization.

With harmonization comes more predictability and better intellectual property protection; and with better protection U.S. exports and U.S. jobs will flourish.

My proposal directs the U.S. Trade Representative to enter into negotiations with those countries using their patent systems as barriers to U.S. goods. This proposal will prod stalled global harmonization talks and help defend American exporters.

I am also pleased to have authored modifications to section 406, a provision of the 1974 Trade Act designed to redress U.S. market disruption caused by imports from Communist—and now, state controlled economy—countries. Given ongoing changes in Eastern Europe and elsewhere, H.R. 5100 enhances the ability of U.S. industry to seek relief from market disruption and injury caused by imports from state-controlled economies.

While most of the so-called economies in transition have little to export to the United States now, the increasingly dire need these countries have for hard currency will lead them to dump as many products as quickly as possible, into the hospitable U.S. market. When this occurs, the value of a strengthened section 406 will become more apparent.

The Trade Expansion Act also includes an important proposal advanced by Mr. MCGRATH to combat the circumvention of U.S. antidumping and countervailing duty orders. When a U.S. producer spends several hundred thousand dollars to prove a foreign competitor is dumping or subsidizing, that producer deserves a guarantee that the orders will be enforced.

Lastly, including both the Trade Agreements Compliance Act and a super 301 extension in H.R. 5100 represent positive steps. These provisions will put our trading partners on notice that our market access efforts are not merely a passing fancy, but are here to stay. Foreign countries will also know that when they do sign trade agreements with the United States, foreign compliance with such agreements is going to be subject to even greater scrutiny.

H.R. 5100 is not perfect, and the fact that it is being debated in a heated election year certainly complicates matters. However, it makes no sense for us to sit back and wait for the everelusive GATT Holy Grail to protect our interests, especially when the very survival of that body remains in serious doubt.

At this stage of the consideration process, I will support H.R. 5100.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman from Illinois [Mr. ROSTENKOWSKI] for yielding me this time, and I commend him on bringing the bill up, and commend, too, the gentleman from Florida [Mr. GIBBONS], chairman of the Trade Subcommittee.

Mr. Chairman, I rise in very strong support of this bill. I think that it could be fairly said that H.R. 5100 is a trade crowbar to pry open Japanese markets which are today closed to quality-made United States products.

H.R. 5100 is also a trade bulldozer to bulldoze down those hills and level the trade playing field in order that our quality-made U.S. goods, such as the Ford big trucks and the Ford Explorer vans which are made in Jefferson County, my district, are able to find a proper niche in the foreign markets to which they are entitled.

So this trade crowbar, this trade bulldozer is very important for my community and all communities in America.

I want to salute particularly the revival for 5 more years of the Super 301 provision. Under it, investigations are ordered of countries which practice unfair trade tactics against the United States.

If negotiations do not end those unfair tactics, then trade retaliation is provided. A special 301 investigation is ordered under the bill, H.R. 5100, dealing with the U.S. auto and auto parts industries and how they are affected by Japanese trade practices.

I would say that of all the bills we will have in this Congress that have a very positive effect on U.S. trade positions in the world and on the jobs of American workers making American products, I can think of no other bill than H.R. 5100 which will enable these U.S. products and these working men and women to have a better future.

I, therefore, rise in very strong support of the gentleman's bill. I am also in favor of the Gephardt-Levin amendment which will come up later. This is an excellent bill, and I urge its support.

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. THOMAS], a respected member of the Committee on Ways and Means.

Mr. THOMAS of California. Mr. Chairman, I thank the gentleman from Texas, the distinguished ranking member of the Ways and Means Committee, for yielding me this time.

Mr. Chairman, a few moments ago one of our colleagues took the well and talked about the preeminence of American military power and how proud he was of that. I know from watching his votes he has done a pretty good job of bringing that about.

But I have to tell you that a number of people who are going to vote for this measure did not help us bring about the preeminence of American power. That we did it despite the way they voted. I guess we are going to have to do the same thing on this trade bill. History is going to repeat itself.

Despite their best intentions, I hope we do not allow them to screw up our trade structure. The logic of this bill is as twisted as the soon to be offered, mandated, voluntary restraint agreement, and that is right, I did not make a mistake, it is a mandated, voluntary restraint agreement. It has to do with automobiles.

If anybody thinks the automobile business is easy to understand today, they simply do not know the business. For example, if you will take a look at the top 10 cars being purchased in the United States today, guess what is the No. 1 seller. A pickup truck made by Ford Co. In fact, if you look at Ford, they have four cars in the top 10, excuse me, not cars as we know them historically. They have only one car, and that is a Taurus. They have the Ford pickup that I mentioned, they have the Ford Explorer, which is a sports-utility vehicle, and they have the Ford Ranger, which is a smaller pickup. Those are the cars that people are buying.

We have talked about Chrysler, and if you look at the old Big Three, back in 1981, Chrysler was in front of this body asking for a bailout so they could have enough money to build the K-car platforms. Guess what, this fall, 1993, they are introducing the LH body, which is the follow-on to the K-car.

□ 1320

That is more than 10 years between a white sheet of paper car in as competitive a business as automaking.

Why is it called the LH? Some people refer to it as the "last hope" of the Chrysler Corp., with good reason.

What we hear about GM is that they are closing plants all over the United States. What you are not hearing is that they are looking for additional line capacity to produce a car, additional line capacity for the Saturn. The Saturn is more revolutionary for how it is built, rather than what it is.

Frankly, if the American automobile industry would understand that putting on voluntary restraints would put them back to sleep, would put us back to the early eighties when the Japanese were told they had to have voluntary restraints, fails to focus on success and dwells on failure.

New cars as Chrysler is doing and new ways of making them as GM's Saturn is the right way.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ARCHER. Mr. Chairman, I yield 1 additional minute to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. I thank the gentleman. What happened the last time we had true voluntary restraints from the Japanese was that they went up market, simply made a ton of money, reinvested that in the automobile sector and Toyota wound up producing the Lexus and Nissan wound up producing the Infiniti, and I wonder where those cars are today in terms of the upper market level. As you might guess—leading the pack.

Please, do not repeat the mistake. Do not put on a mandated voluntary restraint so that the American automobile industry falls even farther behind. Competition is what produces the vehicles that allow us to sell in the marketplace.

For those of you who are concerned about possible retaliatory aspects of this bill, especially those of you in the agricultural sector, be fully aware that the American Farm Bureau opposes this bill. Farm interests are not helped by this bill. They oppose this bill.

I would urge you to vote no on the amendment to include mandated voluntary restraints, and I would urge you to vote no on the bill itself.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, today, I rise in support of H.R. 5100, the 1992 Trade Expansion Act, or more appropriately put, the Jobs for Americans Act.

The No. 1 concern of our constituents is the economic future of our Nation and its impact on jobs.

From forging plants to computer facilities the key to prosperity is job producing growth. Protectionism does not preserve and expand employment. As opponents of this bill are quick to state, 70 percent of U.S. growth has come from exports over the past 4 years, which are creating over 2 million jobs.

President Bush has led our Nation to become the No. 1 exporter in the world, with over $610 billion in goods and services expected this year. Each $1 billion in exports means an additional 20,000 jobs for Americans. It is the goal of H.R. 5100 to increase that mount.

Yet the industries which have led this surge in growth are the same ones now at risk to unfair trade practices by offshore producers. Free and fair trade does not mean ignoring these abuses with a naive belief that the market will heal itself. If we are to have true market access for all producers such aberrations cannot be allowed to continue. We must become pragmatic toward trade. Despite our efforts the United States trade imbalance with Japan increased $2.4 billion in 1991. The bill makes it easier for American companies to prove material injury resulting from unfair trade practices, now required under U.S. law before relief can be obtained. This means jobs for Americans. This is especially true for manufacturers such as steel, bearings, textiles and semiconductors, that find it difficult to prove injury due to the nature of their business cycle. Pragmatism means arming ourselves to respond when countries act irresponsibly in how they conduct trade.

For the past 4 years I have been involved with the Uruguay round and NAFTA negotiations. Opponents argue this bill will compromise those talks. In fact, H.R. 5100 will improve our negotiating posture. It will convince other nations that the U.S. will not tolerate unfair trade practices.

Our Government has already agreed to a provision in the existing GATT± Dunkel text that will mandate congressional changes to U.S. domestic laws in order to comply with GATT panel decisions. This is an abrogation of our constitutional legislative authority.

H.R. 5100 corrects that matter. Included is a change to U.S. negotiating objectives regarding the dispute settlement process. It directs our negotiators to refuse any foreign demands for the creation of an international tribunal that would mandate congressional action on their decisions.

These reforms embodied in H.R. 5100 are vitally important to U.S. manufacturers and to the preservation of jobs in the United States.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. SUNDQUIST], a respected member of the Committee on Ways and Means.

Mr. SUNDQUIST. Mr. Chairman, I thank the ranking Republican Member for yielding me this time so generously.

Mr. Chairman, I rise in opposition to H.R. 5100. There obviously are good features in this piece of legislation, but there are also some bad features in this legislation, and I rise in opposition to H.R. 5100 for the simple reason that it is a job killer, not a job creator.

Let me give you an example. It contains a provision which attacks nearly every U.S.-based manufacturing plant owned by a foreign company. One of these facilities is in my district, a Brother typewriter plant in Bartlett, TN, a plant that provides 800 very good jobs to Tennesseans and creates an investment of more than $27 million for our local economy.

Brother would not have been able to do that if legislation like H.R. 5100 had been in effect, and it may not be able to continue providing good jobs in Tennessee if H.R. 5100 becomes law.

It is one thing to pass trade laws which require our foreign partners to play fair. I am for that. We are all for that, but we can be tough with our trade partners without making things tough on American workers.

This bill is a prime example of why Americans view us with suspicion. It is political posturing to say that H.R. 5100 is aimed at foreign companies, when it will be American workers who get it right between the eyes.

Mr. Chairman, I urge rejection of H.R. 5100.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I would like to commend Chairman ROSTENKOWSKI for putting together this trade bill, and I wish to express my gratitude for his inclusion of language from H.R. 3272. This is a measure which I introduced during the first session of the 102d Congress and which is designed to improve the administration of domestic antidumping and countervailing duty laws. I think it is safe to say that many have felt for quite some time that the U.S. trade code on dumping and subsidies has been in need of the sort of adjustment and fine tuning that this language aims to achieve.

Additionally, would like to note that H.R. 5100 contains language from another bill I was involved in writing, that is H.R. 3935, the Customs Modernization and Informed Compliance Act. This measure was crafted through many long hours of tough negotiations among the joint industry group, the U.S. Customs Service, the National Treasury Employees Union, the customs brokers, and other interested parties. In short, H.R. 3935, as incorporated into H.R. 5100, strikes a good and fair balance among the likes and dislikes of all affected players and in so doing serves as an example of how legislative policy should be made.

Finally, I would like to express my support for the Gephardt-Levin amendment to H.R. 5100. This amendment would merely attempt to hold the Japanese to the promises they made with regard to automotive trade in January of this year. Congressmen GEPHARDT's and LEVIN's amendment is crafted in such a way to accomplish this without establishing quotas and without negatively impacting transplant production or American workers employed in Japanese transplants.

It is my belief that we cannot ignore the fact that in 1991, the United States ran a $66.2 billion trade deficit, and more importantly, that 45 percent of this imbalance was due to United

States-Japan trade in automobiles and auto parts. Furthermore, foreign producers have been able to capture only 3 percent of the Japanese domestic car market.

To add insult to injury, the European Community now has a market share agreement with Japan, the effect of which is likely to be the direction of more Japanese auto products toward the United States market.

This amendment provides a measured approach to a longstanding problem in United States-Japan trade relations, that is, a market access problem, which, without direct legislative attention, has not improved over time.

□ 1330

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. GRANDY], a respected member of the Committee on Ways and Means.

Mr. GRANDY. Mr. Chairman, I rise today in reluctant opposition to H.R. 5100. While I support several components of this bill, including the Customs Modernization and Trade Agreement Compliance Acts, and provisions regarding end use certificates for imported grains and strengthened provisions regarding the threat of injury from foreign trade practices—the remainder of this bill requires me to oppose it. It is untimely, highly discriminatory, possibly violative of our international obligations, and adverse to our Nation's economic interests. Instead of promoting the flow of exports from our country, the sole motivation of this bill is to close our borders to products from other nations, particularly one nation, Japan.

My primary concerns with H.R. 5100 are retaliation and precedent. Japan is our No. 1, by far, agricultural export market. In 1991 we had a trade surplus in agriculture with Japan of $7.4 billion—$7.7 billion of United States exports versus less than $300 million in Japanese imports. United States agricultural commodities have a 28-percent share of the Japanese import market. This is higher than the 22 percent market share the Japanese have of the United States car market and Japanese ag products represent well less than 3 percent of United States ag imports—does this mean that the Japanese Parliament should enact legislation asking the United States to voluntarily restrict the export of ag products to Japan and that Kelloggs cornflake facilities in Japan should be required to source their corn from the Pacific rim instead of the United States Midwest?

Retaliation from Taiwan and South Korea are also likely due to the mandated 301 investigation of their rice policies. The United States has an agricultural trade surplus of $1.7 billion with Taiwan—with ag exports growing by 48 percent in value over the past 5 years—and a similar surplus of just over $2 billion with South Korea. South Korea is now the fifth largest United States agricultural export market. All three of these markets—Japan, Taiwan, and South Korea—represent the most promising markets for processed agricultural products. Such exports mean additional jobs at home. Current agricultural exports to these markets are responsible for over 300,000 United States jobs.

Let us stand back and look at what we are doing here. I share Mr. Dreier's idea of negotiating a free trade agreement, not a restrictive trade agreement, with Japan. How many times do we need to emphasize that once a market is lost, it is very difficult to get it back. Over the past decade, the United States agricultural industry, with the help of the United States Trade Representative's Office, have spent hundreds of hours and millions of dollars on opening Japanese markets and promoting United States products. I shudder to think that we seem to be willing to hand over these markets to our competitors by enacting such discriminatory legislation as the bill before us today. A number of agriculture and other business interests share this concern for retaliation and I have included at the end of my comments their letter in opposition to H.R. 5100.

My second primary concern is the very ill-advised precedents which H.R. 5100 and the Gephardt-Levin amendment are setting. These precedents are the apparent need to legislate the initiation of section 301 investigations and the application of section 301 for the first time to the conduct of American companies—unwise and dangerous to say the least. H.R. 5100 mandates the initiation of section 301 investigations for autos, auto parts, and rice. This is especially peculiar since the Bush administration has never been requested to initiate such actions. It is one thing to be asked and turned down thus requiring a resort to the legislative process, it is another to never have asked in the first place.

While section 301 investigations can be frustrating, as the U.S. oilseeds sector has found out, no one can fault the USTR's office for their record on implementation and enforcement of this trade tool. I am concerned that if we begin to require congressional action for the implementation of a 301 case, we will discourage many less politically powerful groups from thinking their cases will receive serious consideration. I believe there is little justification why the auto, auto parts, or rice industries should receive any special treatment in the 301 process.

As we have seen in the agricultural sector, section 301 in its current form, without the need for mandates from Congress, and other trade pressures have resulted in significant progress in several sectors. Beef and citrus exports to Japan have more than doubled over the last 4 years as a result of the 1988 United States-Japan beef and citrus agreement. Ongoing structural impediments initiative [SII] talks aimed at reforming restrictive feed grains sector policies in Japan are progressing well. USTR has issued a retaliation list for European Community products in response to the EC's failure to change its GATT-illegal oilseeds subsidy program. The record is clear—where injustice exists, the USTR is not afraid to act and no congressional action is needed. Why are we starting to stick our nose in the process now?

I strongly recommend, despite some positive aspects of H.R. 5100, that it be defeated at this time. In the next year we will be afforded several opportunities to amend our trade laws and we will have more time then to make sure that all parties are a part of the negotiations and we can ensure that the impact on our economy will be positive, not negative, as I am afraid H.R. 5100 would be. I urge a no vote on final passage and on the Gephardt-Levin amendment.

JUNE 30, 1992.

Hon. FRED GRANDY,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE GRANDY: We are writing to express our opposition to H.R. 5100 as approved by the Ways and Means Committee. While some provisions of the bill have merit, others do not.

We do not want to see this legislation enacted because its overall impact is likely to close U.S. export markets, be costly to U.S. consumers and undermine prospects for successful conclusion of the Uruguay Round and the North American Free Trade Area (NAFTA) negotiations. These two negotiations are of paramount interest to the U.S. business and farm communities because of their potential to substantially increase U.S. exports.

Business, farm, and consumer groups cooperated closely with the Congress in fashioning and enacting the Omnibus Trade and Competitiveness Act of 1988. This comprehensive legislation authorized the Uruguay Round and NAFTA negotiations and substantially amended U.S. statutes on fair and unfair trade to provide more effective protection for U.S. companies, workers, and farmers.

Congress will have ample opportunity to review and, if necessary, adjust U.S. trade laws when it considers the results of the Uruguay Round and NAFTA negotiations. Business, farm, and consumer groups are prepared to be full participants in that process at that time. With the major exception of customs modernization, consideration of trade legislation now seems both untimely and duplicative of the effort the Congress will have to undertake in considering the comprehensive trade bills that will be necessary to implement the NAFTA and Uruguay Round trade agreements.

In addition to our serious concerns about the contents of H.R. 5100, we are also concerned that the bill will quickly become a legislative vehicle for additional trade restrictive proposals that will further undercut the U.S. negotiators in their effort to achieve the negotiating objectives spelled out carefully by the Congress in the 1988 Omnibus Trade Act.

We believe it important to note that exports are now the most buoyant aspect of the

U.S. economy. Exports are pulling us out of the recession and creating new job opportunities. Since 1988 nearly 70 percent of U.S. growth has been export-driven, generating nearly 2 million jobs for U.S. workers. The United States is currently running trade surpluses with a number of our important trading partners. Our trade surplus with the EC, for example, was $16 billion last year. Enactment of H.R. 5100 would raise the threat of significant retaliation against U.S. industrial and farm exports.

For the above and other reasons, H.R. 5100 is not in the U.S. national economic interest.

Sincerely,

American Association of Exporters & Importers, American Association of Port Authorities, American Business Conference, American Furniture Manufacturers Association, American Paper Institute, Analytical Instrument Association, The Business Roundtable, Computer and Business Equipment Manufacturers Association, Computer and Communications Industry Association, Chocolate Manufacturers Association, Coalition for Open Markets and Expanded Trade, Construction Industry Manufacturers Association, Consumers for World Trade.

Emergency Committee for American Trade, International Mass Retail Association, Millers National Federation, National Association of Stevedores, National Cattlemen's Association, National Foreign Trade Council, National Forest Products Association, National Grain Trade Council, National Grange, National Retail Federation, National Turkey Federation, North American Export Grain Association, Petroleum Equipment Suppliers Association, Pro Trade Group, Retail Industry Trade Action Coalition, Southeastern Poultry and Egg Association, U.S. Council for International Business.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, why H.R. 5100? H.R. 5100, because the nineties cannot be a repeat of the eighties. The trade imbalance with Japan has been persistent. Anybody who thinks the eighties are good enough simply ignores the results of the eighties in terms of our trade imbalance.

We have heard all the labels and all the arguments, the old, worn-out arguments brought out, the specter of isolationism. You know, the greatest boon to isolationism is being inactive on grievances in trade. That is what feeds the feelings of some people in this country that we should turn our back on internationalism. I do not want us to turn our back on that. But the best way for us to be able to compete globally and convince the American people that it is worth it is to make sure there is a level playing field, as the President said he wanted in Tokyo, to make sure that trade is a two-way street and not a one-way street.

The studies show—CRS recently indicated—that in 44 different sectors that they studied, in 42 of them there was a decline in market share in this country by American companies.

Oh, it is said, the Uruguay Round will solve it. The Uruguay Round will not open up the Japanese markets to American or Western European goods, period. It does not pretend to do that.

I ask specifically, someone tell me where it would.

Oh, it has been said, why pick out, under mandatory 301 action in the bill, rice and auto parts? The reason is—it is not special treatment we are asking for, it is fair treatment. There has been an iron curtain against rice. All we want is not special-interest legislation, but fair treatment.

With auto parts, we are not asking that we respond to a special interest in this country, it is a $100 billion-plus industry. We are asking that they get fair treatment. The special treatment they have been receiving has been from the Japanese, and that is, "We will buy only from within our own country, and we keep out foreign goods."

The distinguished gentleman from Iowa talked about agriculture. The breakthroughs that have been made there are in part because Congress was strong. But there is so much more to be done. The Japanese market remains very much closed to a lot of agricultural goods.

Then it is suggested we are dividing American workers against American workers. It is said that under our amendment 301 applies in the auto industry to transplanted but not to American companies?

□ 1340

What is happening is that the transplants are not discriminating against transplant auto parts companies but against traditional American suppliers. In the case of 12 of the largest transplant suppliers, the transplant manufacturers own part of the parts manufacturers that have come over here.

No, it is not special interests, it is not special treatment we are asking. It is national interest and fair treatment for American companies.

The gentleman from California [Mr. THOMAS] talked a bit about the automotive sector, and we are going to get into that during the amendment. Let me just say two things quickly:

This does not mandate in law a VRA, period. What it says is: "When you negotiate an umbrella agreement, Mr. President, in the motor vehicle sector with the Japanese, negotiate to keep the VRA at its present level."

This relates only to exports from Japan, as long as the European Community has a 16-percent ceiling on Japanese sales. These sales now represent 30 percent of the U.S. market.

Also let me say once again this bill is to open markets, not to close them. That is true in the auto sector, the auto part sector, as well as any other. It is not an effort to raise barriers. It is an effort to tear them down.

We have not achieved nearly enough. The last 4 months, the report shows, our trade deficit is $16½ billion with Japan. Fifteen of it is in the automotive sector.

We cannot stand still. We cannot say that bad is good enough. Let us adopt 5100 and then the Gephardt-Levin amendment.

Mr. ARCHER. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a respected member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in opposition to this bill. There are many provisions in it that I support, but the No. 1 concern of the people in my district at this time is jobs, and by the measure of its impact on jobs this bill fails to address the peoples' most serious concern. Let us look at the record.

The United States is the No. 1 exporter in the world. We send more goods into other markets than any other nation. Seventy-five percent of the growth in our economy has been a consequence of growth in exports. At this time our standard of living is directly tied to our success in the global market.

In my State that is very, very evident. Hundreds and thousands of jobs depend on exports, and our success abroad is the only thing that has kept my State from suffering the most extreme depression in her history.

Not only do exports create millions of jobs in America, those jobs pay 17 percent more than the average U.S. wage and so are the jobs of the future as well as the growth of the present.

Now, let us look at the record with Japan since Japan is the target of this bill. Yes, we have had a persistent problem with Japan, but we have now a persistently declining trade problem with Japan. Japan now is our second largest customer. Japan buys more per capita than any of our trading partners. Last year Japan bought more United States goods than Ireland, Germany, France, and Italy combined, billions of dollars of American products.

And what will this bill do in that context of an increasingly powerful American exporting nation? This bill invites the termination of the very negotiations that have over and over again opened markets and brought us the rising standard of living that we have come to assume.

It is not so much the individual provisions of this bill, some of which I support, that are disastrous to America's trading status. It is the combination of all of them and the targeted hostility of some of them that assures that this bill will close markets to U.S. products at a time we need to expand our markets.

Just as we are trying to consummate the GATT negotiations, which will mean a trillion dollars of business to America, just as we are entering the final months when the toughest deals

have to be negotiated, Mr. Chairman, this bill would mandate our taking harsh actions that any nation with any self-respect would have to respond to through retaliation against American goods. That is no atmosphere in which to make the final tough tradeoffs that will consummate a GATT agreement and assure to America a trading community that will allow our goods more markets, broader range, and a higher standard of living for Americans.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, Members of the House, I want to congratulate the gentleman from Illinois [Mr. ROSTENKOWSKI] for his tireless work in the area of trade which produced this bill and in the past, in 1988, produced a very important piece of legislation which the Congress passed and the President supported.

I also want to commend the gentleman from Florida [Mr. GIBBONS], my friend who is the chairman of the Subcommittee on Trade, for yeoman work in this area, and I want to recommend to the Members this trade bill which has a number of very important features in it.

First, Mr. Chairman, is the extension of Super 301, which I think most observers would agree, and even critics of Super 301 are now saying, that it had a great impact on getting us better access to foreign markets. It has got a provision called the Trade Agreements Compliance Act which will help us get better compliance with trade agreements. It has an anticircumventive provision which will help us keep other countries in compliance with trade negotiations. It has a study of our administration's aerospace trade policy. A lot of us believe that we need a better policy in the aerospace area as we are continuing to lose jobs in that important industry. Finally, it helps establish a congressional trade unit so that we can begin looking more intensively at trade from the congressional perspective.

Mr. Chairman, this is a good bill with or without the amendment that I am proposing. I urge Members to vote for this legislation. I do urge Members to listen to the debate on my amendment, the amendment by the gentleman from Michigan [Mr. LEVIN].

Since the early 1980's, Mr. Chairman, we have lost over 300,000 jobs in the automobile industry directly and countless others indirectly. Part of the reason for this loss in my opinion is that we have not had as good an access to the Japanese market as we should have. The Gephardt-Levin amendment is an attempt to better deal with that situation. It does not solve all of the problems, but it begins to solve a lot of the problems.

Mr. Chairman, I urge Members to listen to the debate that will come in the next hour on that amendment, and I urge Members to support that amendment and to support the entire bill.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. MCMILLAN].

Mr. MCMILLAN of North Carolina. Mr. Chairman, I rise today in opposition to H.R. 5100.

I share the concerns of my colleagues with the slow progress of our negotiators in opening Japanese markets to American exports. Our message to the Japanese must be loud and clear: we must have reciprocal market access for United States exports to Japan.

The intent of H.R. 5100 is understandable in light of Japan's unwillingness to open its markets to many United States products. But, let us bear in mind that the United States is experiencing its biggest expansion of exports ever. Exports to Japan have more than doubled since 1985.

In recent years, 75 percent of our economic growth has come from exports. In effect, exports have become the keystone to our economic recovery.

The proposed legislative solution to our trade problem with Japan is the kind of thing that spawns retaliation and ultimately works to our detriment. Many sectors of the United States economy remain protected against foreign imports. Are we prepared to risk foreign retaliation against these United States trade barriers?

The proposed amendment to H.R. 5100 would impose quotas on automobiles from Japan for the rest of this decade. It would also require that Japanese cars built here in the United States have 70 percent domestic content—a requirement not even imposed on United States automakers.

When we discriminate against Japanese automobile plants in the United States, we ignore the 32,000 American jobs that were created by these transplants.

My region of the country serves as a perfect example of the benefits afforded by foreign auto investment in this country. It was just recently announced that BMW would build a plant in Spartanburg, SC. Here is one of the great German automakers deciding to hire American workers to build American-made BMW's to be sold in America and exported as well. Surely if the Germans and Japanese can compete with cars made in the United States, so can the Big Three. But what incentive exists for such an investment if the Congress mandates business decisions and outcomes?

While I agree with supporters of H.R. 5100 who say it is time to get tough with the Japanese, I believe this bill will do more harm than good. I am all for hard-nosed trade negotiations with Japan. I support the extension of 301. But protectionist legislation like H.R. 5100 fails to take into account what the president of the Spartanburg Chamber of Commerce has come to realize: "We're living in a global economy."

□ 1350

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. BLACKWELL].

Mr. BLACKWELL. Mr. Chairman, I rise today in strong support of the Gephardt-Levin amendment.

Last year the United States compiled a ridiculous $43.4 billion trade deficit with Japan. That means that everything was coming from Japan and nothing was going back. So I do not know where these people get their figures from.

Two-thirds of this figure stems directly from the trade of automotive vehicles and parts.

Mr. Chairman, since its inception, the automotive industry has represented the heart and soul of America's manufacturing base.

The industry built and gave birth to new towns throughout the country, and employed generations of American workers.

I do not need however, to tell my colleagues that things have changed. American automobile workers continue to lose their jobs at unprecedented rates. Plants are closing and essentially killing the communities where they reside.

All the while, Japan's trade surplus has grown to a remarkable $78 billion. Everything going over, nothing coming back.

There are issues at hand which must be addressed now. And today, we have the opportunity to finally accomplish the level playing field.

In 1990, Japan exported 60 times more passenger cars into the United States than we exported there. This alarming statistic can be attributed to special taxes, obscene government inspection procedures, poor distribution, and complicated adaptations to Japanese auto standards.

In other words, when we send our cars over there, they cannot even get off the docks. They are so restricted, the rules that they have over there will not allow our cars to even get to the market. I do not know where you get your figures from.

The Gephardt-Levin amendment will finally restore dignity to an industry which has been disintegrating before our eyes, while we here in Congress have sat idle.

The economic future of our Nation is at stake. One in six American manufacturing jobs is associated with the automotive industry. I urge my colleagues, especially those who repeatedly voice their support for family values, give families jobs. We will have more values. Vote in support of this crucial legislation.

Unfair trade practices cut at the core of the American family. Lost jobs equal lost health insurance, lost pension funds, and an overall loss of hope.

Let's pass the Gephardt-Levin amendment, and tell the American auto industry that we support you, and will not stop fighting for your right to work each and every day.

Mr. ARCHER. Mr. Chairman, I yield 5½ minutes to the gentleman from Illinois [Mr. MICHEL], the distinguished minority leader.

Mr. MICHEL. Mr. Chairman, I rise in opposition to this bill. It has been labeled the Trade Expansion Act of 1992 by its sponsors, but in some quarters of economic activity, that might be considered false labeling, punishable by fines or imprisonment.

A more accurate label for this bill would be the Trade Contraction Act of 1992. It represents another effort by the protectionists in this body to have the United States club other countries into submission on trade.

The problem with this theory, of course, is that the United States does not rule the world, and any heavy-handed action by us usually brings counter action from strong nations at whom it is aimed.

Despite all the expressed concern over closed markets, the fact is the United States today, as has been pointed out so eloquently by speakers preceding me on this side of the aisle, is the world's top exporting country. That is us. That is what we are doing.

Our $422 billion in annual exports account for over 8 million jobs. And that does not count the contribution to the livelihood of America's farmers and other small businesses.

Since this bill is largely a Japan-bashing effort orchestrated by the protectionists, there are some important facts to keep in mind regarding trade with the Japanese. Others have alluded to it in different terminology.

In my eyes, I see over the past 3 years that our exports to Japan have risen 25 times as fast as our imports from Japan. How can you discount that?

Japan is currently importing more on a per capita basis from us than we are from them.

Our manufactured exports to Japan are growing at a rate 33 percent faster than our exports to the rest of the world. Some of you folks have blinders on out there when you are bashing Japan day-in and day-out for whatever reason back home.

Procurement of United States parts and materials by Japanese automakers has risen more than fivefold since 1985.

Japan imports more United States-made passenger cars than any other country except Canada and Taiwan.

Japanese auto firms have invested more than $13 billion here in the United States, providing jobs for 78,000 people.

I cite these figures not to defend Japan so much as to show that significant progress is obviously being made. This progress is taking place not because of punishing trade laws enacted by Congress, but due to the basic forces of the free market system that we have been advocating here at home—or should be—and abroad, and those countries that are seeking to emulate what we have been doing so well.

Our negotiators have done yeomanlike work in seeking to open foreign markets. Where retaliation has been necessary, we have not been afraid to use it, such as in the case of China on intellectual property and in Europe over their oilseed subsidies.

But mandated retaliation, as this bill calls for in varying degrees, would only serve to undermine the ability of our negotiators to achieve results, and make much more difficult the ability of our private industry to penetrate foreign markets.

In concluding my remarks, let me cite the case of my largest employer and industry in Peoria, Caterpillar Tractor Co.

Caterpillar is one of our Nation's largest exporting companies. Fifty percent of its U.S. production is sold abroad, accounting for nearly 60,000 U.S. jobs between CAT and its suppliers.

Japan is Caterpillar's second largest exporting market, accounting for sales of more than $400 million in United States-produced equipment just last year alone. In fact, in the product line it produces, CAT outsells its nearest worldwide competitor, Komatsu of Japan, right in its own backyard, and claims more than 50 percent of the Japanese market.

How does Caterpillar do it? Not through Government mandates, for heaven's sake. In fact, had our Government entered the picture and tried to crash the door open, CAT would almost assuredly not have achieved the degree of penetration it has today.

No, Caterpillar achieved what it has through hard work, by paying attention to special Japanese needs, catering to those needs, producing for the consumer out there, and through its reputation for quality and service.

It took the auto industry an awfully long time to come around to recognizing that they had to produce for a different set of people and a different market in order to export. Caterpillar recognized that over 25 or 30 years ago when they had one of the first joint ventures, Caterpillar and Mitsubishi, and they were ahead of everybody. And they have stayed ahead, because they have known what it is to compete in an international market.

Caterpillar has joined with numerous businesses and farm organizations in opposing this bill, and rightly so, because Caterpillar knows that its enactment would undermine much of the progress the company has made to date, and make more difficult its future export sales efforts.

This has become an interdependent world in which the economic development of individual nations, such as our own, and the world as a whole will depend on the furthering of that interdependence, the knocking down of barriers, and the expansion of free trade.

This bill may have that objective, but I will tell you, it is certainly going at it in a roundabout way, and the results would be just the opposite. It definitely needs to be defeated.

□ 1400

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 6 minutes to the chairman of the Subcommittee on Trade, the gentleman from Florida, Mr. SAM GIBBONS.

Mr. GIBBONS. Mr. Chairman, I have listened carefully to the debate here and listened carefully to the debate in the subcommittee and full committee on this matter. I have some mixed thoughts about this piece of legislation. There are some good things in this legislation. The provision that modernizes the Customs procedures is very good. The provision that extends the private right of action for review of trade agreements, I think is a good provision.

The provision that extends Super 301 I believe is needed and in today's bargaining world, we need that kind of leverage.

There is an awful lot of baggage also in this legislation that I just think we could do just as well without. I will probably end up voting against this bill because I think the Levin amendment is going to be adopted. The Levin amendment, I think, does not make good economic policy for the United States. It will not solve the problems that the United States faces in world trade. It will only make matters worse. But I will go into that when we get into the Levin amendment.

Let me now expand on what I think we ought to do to really improve America's competitiveness in the world trading system. The first thing we ought to do is look at our domestic health care program.

Let me give my colleagues an illustration. I had a hearing the other day, the Big Three came in and testified, the Big Three auto makers, that there was $1,000 worth of health care cost in each automobile they produced, $1,000.

A week later, someone representing the transplant imports came in and I asked the same question. The answer I got was anywhere from $50 to $100 per car in health care costs.

Now, American manufacturers just cannot compete in that kind of environment. It is not that the transplant employees get some lousy health care costs. It is the fact that years ago we tied health care to employment and retired health care to one's former employment. And when we look at the problem in the Big Three, it is the fact that they have so many retirees. And it will be 20, 25 years before the transplants have any kind of retirees that

they are obligated to pay their health care costs.

Our domestic automobile companies simply cannot compete in that kind of disadvantaged trading area or playing area. That is one thing.

Another thing is our revenue system. I think we ought to abolish our payroll taxes, our corporate income taxes and about 90 percent of our personal income taxes and substitute for it a modern tax system called a value-added tax. The value-added tax has been in existence since 1965. The system that we are now following in this country is a hodgepodge of now outdated ideas that began 150 years ago. It is pulling us down.

Let me give my colleagues an illustration. If a car is manufactured in the United States or a bushel of wheat is grown in the United States and has to be exported, when it leaves this country, it carries with it the full cost of the U.S. Government. But if it is grown in a foreign country or manufactured in a foreign country, the same product, when sold in our country, carries with it practically no cost of government.

So our goods, developed under our revenue system, when consumed by the foreigner, carry the full cost of government. Their goods, developed under their revenue system, when consumed in our country carry no cost of government with it.

In effect, despite what we feel, we are exporting our job opportunities in the United States because of the way we collect our revenue. I am not complaining about the amount of revenue. I am not trying to change the tax burden between taxpayers. But I am trying to get us to collect our revenue in a more rational manner so that we can be competitive in a world environment.

So we must control our health care costs and get our health care costs disconnected from employment. No other industrialized nation on Earth connects their health care costs of employment. We must get control of our health care costs.

And second, we must get control of our revenue-collecting system and bring it into a more modern position to compete. That would be the best trade legislation that we could enact. That would be a partial solution, a major solution to our biggest economic and competitive problems.

Of course, there are other things. Our educational system has not measured up. The way we do business is subject to criticism.

I would encourage those who would like to learn about what is the trouble with America to read the current book "Head to Head" by Lester Thurow. They will then learn that the problems in the auto industry and the problems in other industries are not so simplistic as they have been discussed here today. And I would hope that we would give serious consideration to the Levin amendment when it comes up. I hope that amendment will be defeated.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes and 30 seconds to the ranking Republican on the Joint Economic Committee, the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the Democrat majority wants the American people to believe that the manufacturing base in the United States is eroding and our standard of living is declining because of the conniving, predatory traders of Japan and the economic policies of Ronald Reagan. Mr. Chairman, the economic data simply do not support this delusion.

Consider these facts which, incidentally, happen to be accurate. Manufacturing productivity increased 3.5 percent during the 1980's, versus only 2.3 percent in the 1970's. Today, manufacturing's share of the GNP is 23 percent, a post-World War II high. Moreover, the American worker is still 30 percent more productive than his Japanese counterpart.

Even more importantly, the United States is experiencing an export boom, which is propping up our sluggish economy. In the last several years, 75 percent of our economic growth has been export-driven. The United States is once again the No. 1 exporter in the world and the livelihoods of millions of Americans depend on international trade.

The bill we have before us today is a protectionist measure that places an economic recovery and millions of American jobs at risk by inviting retaliation from our trading partners. H.R. 5100 undermines the ongoing GATT negotiations and sacrifices consumer rights to shield a few obsolete industries from international competition.

I might add that it is a little ironic that the Democrat Majority chases other nations' trades policies, given the majority party's support for overtly unfair U.S. tariffs and quotas on sugar, milk, peanuts, infant formula, antibiotics, clothing, and hundreds of other commodities. Regrettably, low-income Americans bear a disproportionate burden of these unfair U.S. trading policies, which cost American consumers $80 billion a year.

The supporters of this bill are also plain wrong to argue that the mere existence of a trade deficit prima facie evidence of discriminatory trade practices.

If legislators in the European Community, which has a $16 billion trade deficit with the United States, use the same logic, they will get exactly the kind of retaliation that we have been warning about. And it will be justified on this basis of U.S. law passed by the Democrats.

□ 1410

Our economic problems are not due to international trade, and this Gephardt, Perot, Iacocca, Smoot-Hawley protectionist bill will bring economic distress, not economic growth. I urge my colleagues to vote "no" on the bill and vote "no" on the even more ill-conceived Gephardt-Levin amendment.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HOBSON].

Mr. HOBSON. Mr. Chairman, I rise today in opposition to H.R. 5100, particularly the Gephardt-Levin amendment. I have heard from thousands of my constituents in Ohio who believe this bill threatens their jobs and I agree with them. Not only will this legislation discriminate against a growing number of Americans working in America, it will limit the choices available to American consumers and be totally ineffective in improving the American economy or market access to Japan.

I recently received a letter from a constituent, a father of three children and an employee of Honda of America for 9 years. He wrote:

> I feel that we * * * are probably some of the most patriotic and God-fearing Americans that could be found anywhere in this great country of ours * * * why are we now being treated like we are foreigners in our own country * * *. I know that this country got where it is now by allowing progress through free enterprise. I know that I am just one of the little people, but I still believe in this country and what it was built upon.

Mr. Chairman, H.R. 5100 is bad public policy. It will devastate American economic expansion by discouraging investment in the United States. It will limit the ability to transplant companies to continue to compete as an American-based company in world markets. It will strangle job-creating export growth by forcing the Japanese, our second largest trading partner, to take retaliatory measures.

These responses will penalize hard-working Americans by jeopardizing Ohio's estimated 470,000 export-related jobs and increasingly limiting the world market for their goods. As we continue to develop new markets for American-made products, we cannot limit our possibilities and become isolated from the global economy.

Even more disastrous is the Gephardt-Levin amendment which singles out automotive transplant companies and punishes the Americans who work for those companies, including over 10,000 hard-working residents in Ohio's Seventh District.

The most offensive measure of this amendment is the domestic-content requirement which discriminates based on the nationality of company ownership, instead of where the product was actually manufactured. Cars made by transplants in Ohio will have to meet a 70-percent domestic content requirement, while cars made by the same transplant in Canada will have to meet only a 50-percent domestic content re-

quirement and be sold here. Canadian production will be treated more favorably than American production. So-called domestic producers would be exempt from this requirement even though much of their production would fail to meet these guidelines. This is precisely the kind of barrier the United States is seeking to eliminate in international negotiations. Fair is fair. Mr. Chairman, this amendment is not fair.

The transplant companies and their suppliers in Ohio's Seventh Congressional District have been good employers and good corporate citizens. These companies have been working to increase their usage of American-made parts. Therefore, instead of passing legislation such as H.R. 5100 that will cap growth, and is anticonsumer, and is anti-American, Congress should pass pro-growth, pro-consumer, pro-job creation legislation to provide employment for American workers.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, I have the feeling that some of my colleagues get so caught up with the idea of solving the trade deficit that they miss the larger purpose which should be a part of any legislation.

We in Congress are supposed to care about the welfare of the people. How is the peoples' welfare improved when they have to pay thousands of dollars more for household necessities each year because we in Congress are artificially raising the prices?

Explain to me how preventing American consumers from obtaining higher quality goods at lower prices serves the general welfare?

The economic principles mandating that the provisions in this bill will hurt our citizens and disrupt our economy could be explained at length to you today in Moscow, in Prague, in Budapest, in Warsaw, and in other parts of the world that have long experience with centralized controlled trade. These countries are giving it up. They're tired of having standards of living that are unacceptable.

Where in this world can you find one government body that continues to believe that increasing Federal control over trade, decreasing Executive ability to make trade agreements, and heightening protection of domestic industries is a positive step?

It's truly remarkable, but I believe there is only one place today that seems determined to move in this anti-free-market direction and that is this body of Congress.

While the rest of the world struggles to open doors, expand ties and trade, to negotiate in good faith and lower barriers, this bill wrecks negotiating possibilities, encourages intransigence and retaliation, narrows overseas markets for American goods and increases hurdles for companies wishing both to import and export with the United States.

And let's not kid ourselves, Mr. Chairman, you hear a lot about Japanese protectionism and how the United States is getting the raw end of the deal. To the extent that's true, they've simply improved on our example.

The United States continues to thwart its best own interests with trade policies that are decidedly protectionist. Our consumers already pay more than $80 billion a year as a result of trade barriers—that's about $800 for every American family—to keep these policies and the special interests they protect insulated from competition.

There's hardly an economist that would say we're getting our money's worth or even a fraction of our money's worth for this protection. It is a recognized truism that protectionist policies save jobs in the protected industry only at the cost of an even greater number of jobs in the economy at large. And trade barriers routinely cost American consumers 8 to 10 times as much as they benefit American producers.

And so in the end we burden our consumers, lower the standard of living for our citizens, and put Americans out of work all in order to prove to the Japanese that we're tough on trade.

Mr. Chairman, this bill will be tough on trade alright and it will be tough on our constituents and on our economy.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, if history is a guide, protectionism belies its name. It provides job security for candidates, not workers. Just as in Pogo's terms, the enemy is us, in trade policy the enemy is politicians, usually one's own.

The problem with this legislation is that it will evoke copycat actions around the globe; it will jeopardize not only our export-dependent farm economy, but the manufacturing sector as well. Why we would want to undercut our status as the No. 1 exporting country in the world is simply beyond my ken.

One of the lessons of the 1930's was that protectionist legislation lengthened and deepened the Great Depression. By reverse logic, in recessionary times, promoting policies which impede the growth of international trade is likely to serve as an economic stimulant.

Instead of moving to increase trade by bolstering GATT and advancing regional free-trade agreements, the majority party is serving up a convention-eve protectionist stew.

Let's compete, not capitulate; stand up to challenges in the real world, not succumb to the politics of retaliation and counterproductivity.

As far as protectionist legislation is concerned, this bill is not radical; it is moderately bad. As the gentleman from Indiana [Mr. PEASE] noted, the bill isn't designed to penalize foreign companies producing in this country, or, by inference, joint ventures operating here. Yet the fact that the bill is only moderately bad is no reason to take legislative solace. As our distinguished Trade Representative, Carla Hills, notes, isn't it indefensible to set a new legislative standard: Object only to the blasphemous, not the incrementally bad.

This legislative effort is an understandable reflection of political frustration. It should be respected, but nonetheless defeated.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I thank the distinguished floor leader and chairman of the Committee on Ways and Means for yielding time to me.

Mr. Chairman, the central question here is why can't we sell cars to Japan? The administration has not been able to adequately answer this question, so the Gephardt-Levin amendment will require the U.S. Trade Representative to negotiate an agreement that ensures us access to this market.

This is a serious subject. In 1991, the United States' total trade deficit was $66 billion—$43 billion of that was with Japan—$30 billion of our deficit with Japan was in automobiles and auto parts; 45 percent of the United States total trade deficit in 1991 was with Japan in automobiles and auto parts.

In contrast, during the same year the United States posted a nearly $17 billion trade surplus with the European Community. We held surpluses with the former Soviet Union, Australia, Mexico, Turkey, Egypt, Kuwait, and others. At the same time, we greatly reduced our deficit with Korea and Taiwan. If we can hold a automotive trade surplus with the rest of the world and remain competitive, why can't we sell cars to Japan?

Japan has replaced the United States as the world's leading producer of automobiles and has the world's second largest market. Yet, Japan imports less than 3 percent of its cars. In the United States, more than 50 percent of all cars sold this year will be imports or from Japanese transplant companies. If our markets are open, why can't we sell cars to Japan?

The city of Detroit, once the automotive capitol of the world and a leader in manufacturing technology, now has one of the highest unemployment rates in the country. Thousands of workers have been laid off, plants are closed and buildings are boarded up. A healthy automotive industry is crucial to the well-being of the entire Nation, and could rebuild the city of Detroit. So I ask you, why can't we sell cars to Japan?

Simply put, our problems with Japan have nothing to do with the alleged in-

feriority of American cars or the alleged laziness of American workers. J.D. Power & Associates' annual quality survey showed that from 1987 to 1991, the quality of American cars improved by 12 percent while the quality of autos manufactured by the top five Japanese companies remained constant. In fact, there was a negligible difference between the quality of American and Japanese cars in 1991.

This is not anticompetitive act that we are committing here. We are trying to change a closed market into a fair market. Our problems with Japan are rooted in their practice of denying American companies access to Japanese markets, coupled with the systematic targeting and gutting of the United States automotive industry.

This bipartisan amendment confronts our persistent trade deficit with Japan and the threat to United States industry. It calls on the United States Trade Representative to negotiate a comprehensive automotive sector trade agreement with Japan. It will offset the anticipated glut of Japanese autos in the United States market as Japanese auto producers look to sell off their excess capacity because of limits imposed by the European Community.

In addition, the Gephardt-Levin amendment will provide the President the necessary tools to ensure the Japanese honor the commitments they made at the Tokyo summit last January. Chief among these was Japan's commitment that sourcing at their transplant facilities would result in increases in the use of domestic parts to a level of 70 percent.

Finally, this amendment will establish a monitoring system and an enforcement mechanism that addresses the question of what to do if Japan fails to follow through on its promises.

It has been said that every $1 billion invested translates into thousands of new jobs. Therefore, our $30 billion automotive trade deficit with Japan represents a loss of hundreds of thousands of jobs. If we fail to close this gap, our competitive edge will continue to rust, our manufacturing base will continue to erode, and our unemployment rates will continue to soar.

The Gephardt-Levin automotive sector amendment is the critical component of a comprehensive trade policy that will save American jobs and American industry. This amendment addresses Japan's egregious trade policies and practices that have denied American companies the opportunity to compete fairly, and have devastated the American work force. As a representative from the great State of Michigan, which employs nearly 35 percent of the Nation's automotive production workers, I ask that this body confront this crisis head-on with strong legislation. Please support this amendment.

□ 1420

Mr. SUNDQUIST. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I just wanted to briefly answer the gentleman from Ohio [Mr. PEASE] who had made some comments and referred to my comments in terms of the loss of jobs that would occur in this country if this legislation had passed or will pass and become law. I hope it will not. I am opposed to the legislation.

I want to tell the gentleman from Ohio [Mr. PEASE], who is a friend of mine and for whom I have great respect that what we find in this legislation is punishment to those companies who have been associated with an original dumping problem, and they will get tainted as a result of that, and without evidence. So that will be a problem in terms of loss of jobs in and of itself.

Companies that have done business on a normal business relationship, have not been part of dumping, but are associated with it.

In addition to that, Mr. Chairman, we see in this legislation comments like "is significant," "a pattern of circumvention," and also "historically supplied the parts." Those are very difficult to quantify, and I think this is a very serious problem.

So I would answer my colleague and friend from Ohio by saying that this is the section I was referring to in my earlier comments. I think it is dangerous to create legislation that is hard to define and that will touch companies that have not been a direct part of the problem, and it is going to overflow onto them and will end some jobs in this country.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I thank my chairman for yielding me the time.

I would say to my colleague from Tennessee that I just have to say I have listened to his comments just now carefully and still did not see anything in there that directly would affect American companies. Surely if there is dumping of products below their cost in this country having an adverse effect on American companies and workers, that ought to be stopped. And I am the author of the language strengthening the antidumping and the anticountervailing duty sections, and I can assure the gentleman that it was not my intent, nor does the language in my opinion provide for any kind of adverse effects on American companies. Quite the contrary.

Mr. SUNDQUIST. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. CRANE], a senior member of the committee.

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

Mr. Chairman, I simply want to reiterate a few basic statistics, some of which may be somewhat repetitious but warrant reexamination routinely because H.R. 5100 threatens our export-driven growth in our economy which has really been increasingly dependent upon it for the last 2 or 3 years.

Since 1988, Mr. Chairman, exports of goods and services have accounted for over 75 percent of U.S. economic growth.

Second, the United States is now the world's No. 1 exporter, with over $610 billion in exports of goods and services expected just this year alone. Each $1 billion in exports generates nearly 20,000 export-related jobs, and those jobs pay almost 17 percent more than the average U.S. wage.

Turning to our relations with Japan, the United States exported nearly $50 billion worth of goods to Japan in 1991, and that is more than to Germany, Ireland, France, and Italy combined. Exports to Japan have risen nearly 25 times as fast as imports from Japan in the last 3 years.

United States exports of manufactures to Japan have grown 30 percent faster than on a global basis. Finally, United States exports of services have grown 13 percent faster to Japan than globally.

I would urge my colleagues to take a long hard look at the evidence and the facts. It is overwhelmingly conclusive that this is well-intentioned but misguided legislation, and I would urge a "no" vote.

Mr. SMITH of New Jersey. Mr. Chairman, I rise in support of H.R. 5100, the Trade Expansion Act of 1992. Not only will this bill give U.S. businesses a fighting chance at access to closed foreign markets, but the bill will reform our international trade laws to cultivate fair trade in the domestic marketplace.

Mr. Chairman, I also support the Trade Expansion Act because it includes legislation which I authored earlier this Congress.

On April 16, 1991, I introduced H.R. 1835 to strengthen the international competitiveness of the U.S. commercial communication satellite industry. I was pleased that after consideration and markup by the Subcommittee on Trade, my bill—H.R. 1835—was embraced by Chairman ROSTENKOWSKI and included in the House trade expansion package.

Under current law, entire communication satellites and most parts may be imported into the United States free of duty as long as the satellite is subsequently reexported or launched into orbit. However, certain components which are necessary for the domestic manufacture of communication satellites have different tariff classifications and are therefore subjected to high import duties. The importer may put up a bond in exchange for paying the duty and can have the bond and the tariff excused if the manufacturer launches or reexports the satellite within 3 years. This procedure is known as temporary importation under bond [TIB].

Unfortunately, Mr. Chairman, the shuttle *Challenger* disaster and other launch failures played havoc with communication satellite launch schedules. As my colleagues know, the

schedules for launches are determined years in advance and the repercussions from these past failures are still being felt by the industry.

My bill would provide satellite manufacturers with an additional 2 years—for a total of 5 years—to launch their satellites without the builders sacrificing the bond or suffering the impact of liquidation damages as long as the delay was no fault of their own.

Mr. Chairman, if enacted, my reform of TIB will ease the burden on those manufacturers who face harsh penalties for no fault of their own.

I am grateful that General Electric's astro-space division in East Windsor, NJ, brought this situation to my attention. While passage of my measure will provide substantial benefits to a local constituent, I see broad positive implications from this legislation.

According to a statement submitted to the House Subcommittee on Trade in support of my bill, the added time to launch or reexport commercial satellites will enable satellite manufacturers to purchase the critical parts in larger quantities, thereby taking advantage of the reduced cost of such quantities. Dr. Lawrence R. Greenwood, then-division vice president and general manager of astro-space said, "The ability to purchase at lower cost in 'quantity' would make U.S. satellite manufacturers more competitive in the world market, with positive effects on the balance of trade."

Among other satellite makers, Loral Corp. has expressed support for my measure.

Mr. Chairman, the benefits provided by passage of my legislation will clearly enhance the economic strength of U.S. commercial satellite firms in an increasingly competitive world market. I urge approval of this bill without further delay.

Mr. GALLO. Mr. Chairman, I will vote against H.R. 5100, the Trade Expansion Act of 1992, because I firmly believe that it would result in the exact opposite of what its title would suggest.

Over the course of the last 3 years, the United States has recaptured our position as the world's largest exporter, with over $610 billion in exports projected this year. Exports fuel 75 percent of our economic growth. We should not abandon the policies that have led to this success.

I recognize, as some of my colleagues have pointed out, that we have a way to go in our trade relationship with some countries, especially Japan. For example, there is no doubt that our automobile industry is hurting because they are playing on an uneven playing field.

But we have made progress over the last 3 years. Our exports to Japan have risen nearly 25 times as fast as our imports from Japan. We should not tie the hands of our negotiators while they are making this sort of positive progress.

In my home State of New Jersey, some 270,000 export-related jobs would be threatened if this bill becomes law. I have met with countless employers and employees in my district whose jobs depend on exports and who do not want us to resort to the kind of protectionism that will result in retaliatory measures and massive job loss.

Enactment of this bill would hurt U.S. trade abroad and would hinder U.S. economic growth at home. Our economy benefits significantly from exports—exports that would shrink if we adopted the protectionist, retaliatory stance that this legislation represents. Each billion dollars in exports supports 20,000 American jobs—jobs we need here at home.

Among the leading New Jersey job sectors that could be subject to retaliatory trade action are our chemical products industry, our computer and industrial machinery industry, our electric and electronic equipment industry, and our scientific and measuring equipment industry. These four sectors account for more than $6 billion in exports from New Jersey every year.

During my 8 years in Congress, I have worked hard to help small and medium businesses increase their export opportunities. Let's not throw another roadblock in the way of these business people who are trying to expand their opportunities overseas.

As the international economy becomes increasingly interconnected, we must not hurt our competitive position by adopting the protectionist, retaliatory trade strategy represented by this bill. I urge its defeat.

Ms. OAKAR. I rise in support of H.R. 5100, the Trade Expansion Act of 1992. America needs this legislation to combat unfair trading practices and to make a level playing field for global competition.

This bill addresses our main trade problem, our country's trade deficit with Japan. Last year Japan accounted for two-thirds of the United States trade deficit, with the United States-Japan trade deficit of $43.4 billion. Automobiles and auto parts make up the largest part—75 percent—of our deficit with Japan.

Our trade deficit with Japan in automobiles and auto parts is having a devastating impact on American workers. One out of every six American workers is employed in a job related to the auto and auto parts industry. The auto industry accounts for 12 percent of our gross national product and is a major consumer of steel, semiconductors, glass, textiles, machine tools, rubber, and other important products.

We must not allow this mainstay of American industry to be destroyed by unfair, predatory trading practices. The Trade Expansion Act initiates high level negotiations with Japan on automobiles and auto parts and makes the United States Trade Representative more responsive to complaints of unfair trading practices by industry groups.

I urge Members to support this legislation.

Mr. RAMSTAD. Mr. Chairman, I rise today in opposition to H.R. 5100, the so-called Trade Expansion Act.

Mr. Chairman, at a time when the United States is engaged in sensitive trade negotiations around the globe, H.R. 5100 sends the wrong message.

Passage of this measure would signal to the world that the United States has given up on the possibility that international agreements can be reached and prosperity and growth can be realized by all nations working to open their markets.

In addition, H.R. 5100 discriminates against American workers in automotive parts transplant firms—those not owned or controlled by Americans—pitting one American worker against another.

This kind of blatant discrimination against foreign investment violates a long-standing U.S. policy of nondiscrimination toward foreign investment and discourages future investment. As foreign investment falls, so do the number of American jobs. And because the United States remains the world's largest foreign investor, it is critical that we not provoke foreign governments around the world into trade wars that would destroy jobs.

In my home State of Minnesota, exports generated $6.3 billion for the economy in 1990. Foreign retaliation provoked by H.R. 5100 could jeopardize Minnesota's 170,000 export-related jobs, in industries ranging from computers and electronics to agriculture and paper products. Minnesota is proud of its strong history of exporting and free trade. This bill could destroy that legacy, and vital exporting industries nationwide.

Mr. Chairman, across the country, U.S. exports have almost singlehandedly driven this economy during recent years, accounting for 75 percent of our economy's growth. Passage of H.R. 5100 could result in all-out retaliation by our trading partners, causing them to close their markets to our goods, and destroying this critical component of our economy.

Every $1 billion in exports translates into 20,000 export-related American jobs—jobs that pay 17 percent more per hour than the average United States wage. If Japan and the EC imposed prohibitive tariffs on the five largest surplus sectors in the United States economy, a loss of $35 billion in U.S. exports and 700,000 high wage jobs could result.

Mr. Chairman, this bill is just one more example of politics as usual. My colleagues tout H.R. 5100 as a trade expansion initiative, when the real result would be trade destruction. Destroying trade opportunities eliminates American jobs, not just in export industries, but across the economy, as unemployed workers face truncated purchasing power and the spread of economic stagnation. Lost jobs translate into higher deficits as tax revenues fall and recession-related spending rises. Finally, and perhaps most importantly, these effects translate into a severe blow to our Nation's morale as every family is touched by job loss and economic despair.

I urge my colleagues to consider the devastating effects of this bill and reject politics as usual. This is not a trade expansion initiative, it's a job destruction ploy, at a time when our Nation can least afford it. I strongly urge my colleagues to reject H.R. 5100.

Mr. JONES of North Carolina. Mr. Chairman, the fundamental purpose of H.R. 5100, the Trade Expansion Act of 1992, is to strengthen the United States' international trade position. Title II, the Customs Modernization Act, is one of the most effective tools in the bill for increasing American competitiveness.

Many of the navigation laws that the U.S. Coast Guard and the U.S. Customs Service enforce are almost as old as our country. Eight significant navigation laws, including the basic foreign vessel clearance laws and the laws governing entry and clearance for vessels moving between U.S. ports, were enacted before 1800.

The Committee on Merchant Marine and Fisheries played an active role in crafting title

II, because the provisions fall within the committee's jurisdiction over the Coast Guard, common carriers engaged in maritime transportation, and navigation and related laws. Title II would modernize the procedures for enforcing vessel entry, clearance, and movement laws. The bill would amend statutes within the jurisdiction of the Committee on Merchant Marine and Fisheries, including the Act to Prevent Pollution from Ships and certain other laws in the appendix to title 46, United States Code.

The Coast Guard and Customs work under a memorandum of understanding in enforcing these entry and clearance statutes. The Coast Guard has primary enforcement authority for areas outside customs waters while Customs has primary responsibility for shore-side enforcement of customs laws. The two agencies share enforcement responsibility within customs waters.

Under current law, Customs has to enforce obsolete laws that bear no relationship to modern shipping. For example, under present law a vessel master is required to report the number of cannons mounted on a ship to have the vessel cleared, and Customs is required to examine 1 out of every 10 packages in a shipment. This bill would repeal those unnecessary provisions.

Current law does not reflect technological advances in information resource management that have been made since the laws were enacted in the 1800's. The title would allow the Customs Service to purchase and use modern technology information effectively, such as an automated filing system for importers. These information resource management tools would give Customs the ability to gather information, analyze risk, recall data, and send information all over the United States. The title would improve Customs enforcement and allow Customs to handle imported merchandise quickly and efficiently. This streamlined merchandise processing would consequently benefit the private sector.

Finally, title II would establish penalties for recordkeeping and drawback violations, increase the minimum transaction amount Customs collects from $10 to $20, liberalize the definition of goods qualifying for customs duty drawbacks, and require interest to be paid on merchandise revaluations after goods have been entered through Customs.

In summary, it is imperative that Congress give Americans the implements needed to compete effectively in the world market. This bill would also update our statutes, bringing them into the 20th century. It would also allow the Customs Service to use modern technology the United States needs to succeed in a highly competitive, complex world economy.

Mr. McGRATH. Mr. Chairman, I rise in support of H.R. 5100.

I applaud the hard work of Chairman ROSTENKOWSKI and Chairman GIBBONS in crafting this piece of legislation that will open markets and create jobs. H.R. 5100 strengthens U.S. trade laws and closes loopholes, particularly in the area of antidumping and circumvention.

Unfortunately, our negotiators have tried and failed to achieve our trade goals and it is time to implement legislation that will demand reciprocity from our trading partners.

This legislation also includes provisions that modernize customs procedures by computerizing customs service transactions. It will improve customs enforcement. This is crucial to our global competitiveness.

The Committee on Ways and Means has worked hard to make this a bipartisan bill and I urge you to support this tough, but fair, legislation.

Mr. GRADISON. Mr. Chairman, I rise today in strong opposition to the Gephardt-Levin amendment and the underlying bill, H.R. 5100.

H.R. 5100, the Trade Expansion Act of 1992, is poor trade policy which would actually harm America's economic interests. This bill is a unilateral attack on the Japanese at a time when we are negotiating with them bilaterally and multilaterally through the Uruguay round of the General Agreement on Tariffs and Trade [GATT].

The administration has been and will continue to negotiate with Japan on market opening measures for autos, auto parts, and rice. All three product areas are covered under the on-going structured impediments initiative, and the market opening sector specific [MOSS] talks have been expanded to include autos as well as auto parts. Furthermore, Japan's rice policies are currently under intense negotiation at the GATT. Imposing mandatory Super 301 retaliation would not help bring these negotiations to a successful conclusion. Choosing which unfair trade practices to investigate is likely to have an adverse impact on U.S. trade relations. Allowing any interested party to request, and get, the U.S. Trade Representative to investigate alleged abuses will lead to a much more confrontational and unfriendly trading environment, which can only hurt American business and U.S. jobs since America is the world's No. 1 exporter.

The Gephardt-Levin amendment would make H.R. 5100 even worse. The amendment would require the administration to negotiate a Japanese auto import quota of 1.65 million units, which would remain in effect indefinitely. This would raise import prices and Japanese profits, making Japanese auto manufacturers even more competitive. It would also remove needed pressure on U.S. auto manufacturers to improve their products and conduct research and development.

The Gephardt-Levin amendment would also unilaterally impose domestic content requirements on foreign-owned auto manufacturing facilities located here in the United States. This is an unfair requirement which is likely to discourage needed future foreign investment in the United States. With the United States savings rate at drastically low levels, we should be encouraging foreign investment, which creates jobs here in the United States, not imposing restrictions on it.

There are many good parts of the bill which were worked out in a bipartisan manner, like the Customs modernization and the reauthorization of the Customs Service, USTR, and the International Trade Commission, which I support. It is unfortunate that the Democrat leadership chose to put together a partisan package which has no chance of becoming law.

I urge my colleagues to defeat the Gephardt-Levin amendment and H.R. 5100.

Mr. KOLBE. Mr. Chairman, its an election year, so it must be time for another trade bill. Democrats believe they have an election year issue—and they are willing to clear the decks here in the House to prove it. Despite the need to get spending bills passed to avoid a continuing resolution at the end of the year—another Democrat favorite I should add—we will instead take up a protectionist trade bill that feeds on the fears of Americans who are concerned about their jobs.

This bill is snake-oil doled out at the House carnival—guaranteed to cure all the Nation's ills, even while the real cause of our economic sickness—skyrocketing Federal debt—goes unchecked. This bill will play well with the Democratic special interests in New York next week, which is the sole reason why we are bringing it up today. But, my friends on the other side of the aisle should be warned, this poison pill will not be swallowed by the American people in November.

This bill will cost American jobs. it will cost jobs for American autoworkers who are proud of their work for Honda of America or at Toyota plants here in the United States. But it will also cost American steelworkers, electrical workers, computer makers, engineers, and others who will suffer as domestic manufactured good prices skyrocket and demand falls. That's what protectionism does and that's what this bill will do. It hurts consumers who buy goods by limiting choices and causing price increases. And it hurts the people—Americans in this case—who make those goods.

As we emerge from this recession, a driving force has been our increase in exports. Indeed, our export growth during the last few years has been the only part of the economy that has prevented an even deeper recession. Fred Bergsten of the Institute for International Economics recently told Congress that if it weren't for exports, the fourth quarter of 1991 would have been the worst in postwar history.

We are in the midst today of negotiating two landmark trade agreements. The North American Free-Trade and the Uruguay round of the GATT both promise to bolster the United States economic position in the world. A position that has already been enhanced by exports. At $610 billion, we are the No. 1 world exporter. And exports are forecasted to grow even further and projected to account for one-third of U.S. growth over the next 10 years. My colleagues should keep in mind that each billion dollars in exports creates 20,000 jobs. In addition, we have only begun to explore the long-term potential of the new markets opening up in the former Soviet Union and Eastern Europe. The potential to increase our economic standing while at the same time giving a jump-start to budding free market economies around the globe has never been better.

This bill, by mandating Super 301 procedures, by changing antidumping laws and by violating existing GATT agreements, would jeopardize these possibilities—especially GATT. This bill is the vehicle for the Democrats' self-fulfilling prophecy. Democrats believe the round will fail, therefore, we must pass legislation to guarantee it.

Some 120,000 jobs in my State depend on exports. In Michigan, California, Illinois, Pennsylvania, New York, Ohio, and other States, that figure is many times as large. And yet it is Members from these States who will jump on the protectionist bandwagon in order to

coddle a few, well-connected, special interests.

Members from those States should carefully consider their actions here today. It will be your workers who will lose their jobs and your local economies that will suffer—all in order to get that endorsement, or to be mentioned in that newsletter.

This is a purely political bill—on the eve of the Democratic convention. It is not a jobs bill, or an economic growth bill, or even a trade bill for that matter—trade has been booming. This is a bill about endorsements and appeasements, about special interests and election year politics. These are not good reasons for passing a Trade Expansion Act that after November will only contract trade, close markets, increase prices, and force American layoffs.

I urge my colleagues to vote against this bill.

Mr. LEWIS of Florida. Mr. Chairman, I rise in opposition to H.R. 5100, the Trade Expansion Act of 1992.

Quite simply, I believe this bill should actually be titled the "Trade and Employment Contraction Act of 1992." Our Nation's economy is largely driven by our exports, and over the past year, the United States has regained its position as the world's No. 1 exporter, with over $600 billion in exports of goods and services this year.

In recent years, almost three-fourths of our economic growth has come from exports, and each $1 billion in exports supports roughly 20,000 jobs, which pay, on average, more than the average U.S. wage. In the case of my State, Florida exports totaled over $16 billion in 1990, and supported over 300,000 jobs. By threatening these exports, we are threatening the very heart of the Nation's, and Florida's, economy.

As many in this House know, I have not been reticent in aggressively criticizing the administration when I believe they are not properly pursuing fair-trade agreements. However, they must be free to do their job, and this legislation denies that right—to the detriment of our economy.

Finally, this legislation violates the Budget Enforcement Act by directing the President to use Congressional Budget Office [CBO] scoring. The President has flatly stated that he would veto any legislation using CBO scoring. His advisors have also threatened a veto of this bill on trade grounds. These scoring provisions, along with many of the trade provisions, have led me to the unfortunate conclusion that this bill is designed for a veto as an election year device. Therefore, I cannot, in good conscience, support this bill.

In addition, I also oppose the Gephardt amendment for many of these same reasons. This amendment, like the underlying bill, will not achieve its publicly stated goals. It will cost jobs, and harm our economy, and I urge its defeat.

Mr. BONIOR. Mr. Chairman, I rise to express my strong support for H.R. 5100, the Trade Expansion Act of 1992, and the automotive policy amendments being offered here today. This amendment is long overdue.

We must focus on achieving results in our trade with Japan. The automotive policy amendment will bring results. We should pass it without delay.

By any measure, the automotive products industry is critical to our economy and the economic well-being of our people. One in every seven jobs is tied to the automotive products industry, which accounts for 4.5 percent of all goods and services produced in the United States. Moreover, the industry supports production and employment in important U.S. industries, consuming 40 percent of all machine tools, 25 percent of glass production, and 20 percent of all semiconductors sold in the United States, among others.

Despite the industry's importance, nearly a decade of inaction has characterized administration policy. What we have had is rhetoric that espouses free trade, but policies that have locked the American auto industry out of Japan's market.

The administration's decade of inaction allowed Japan to rack up ever higher market share gains in the United States while continuing to protect its home market. Japan's market share in 1991 amounted to 3.1 million vehicles, which includes Japanese-owned transplant vehicles in North America—in all, capturing 30 percent of the United States automobile market. The situation is much the same in automotive parts trade, where Japan shipped $9.8 billion more to the United States in 1990 than it bought here.

By contrast, total import penetration into Japan for all vehicles during the past 3 years, 1989, 1990 and 1991, is less than 3 percent. For United States exports to Japan, the reality is even more stark, with exports hovering around 0.4 percent of the Japanese market during the period. And when only Big Three exports are considered, market share amounts to less than one-twentieth of 1 percent. United States auto parts exports amounted to $800 million in a Japanese market of over $100 billion in 1990.

The result of Japan's protective policies is a United States-Japan trade deficit of $43 billion in 1991, of which 65 percent is in automotive products trade.

The reality then is we cannot reduce the deficit unless we deal with automotive products trade. And the history in this respect is not good. This administration talks and talks some more. Japan makes a change here and then a change there. The end result is the same. Japanese market share in the United States continues to grow, and the Japanese market remains closed. The U.S. trade deficit in autos and auto parts continues to grow.

Nearly a decade of talk makes one conclusion inescapable: Without strong action on the part of Congress, Japan will not change.

The time for action is long overdue. The automotive policy amendment will cause this administration to deal directly with our automotive trade problems with Japan.

The amendment directs the USTR to negotiate the continuation of the existing VRA on autos with Japan for as long as the Japan-European community agreement remains in effect. This is a responsible solution to the Japan-European Community agreement.

In addition, the amendment would hold the Japanese to the commitments made as part of the action plan during the President's trip to Tokyo this January.

I urge my colleagues to support the automotive policy amendment. It is good policy. The American people have waited too long for a trade policy that gets tough with Japan. We should pass this amendment now.

Mr. SMITH of Florida. Mr. Chairman, I rise in support of H.R. 5100.

This legislation seeks to correct a glaring imbalance which threatens to seriously erode our industrial base. The auto industry employs 2 million workers and accounts for 4.5 percent of our GNP. Last year, our $30.1 billion automotive trade deficit with Japan alone amounted to a whopping 45 percent of our $66.2 billion merchandise trade deficit with the entire world. The status quo is hurting us and helping Japan at our expense.

There is something wrong when the Japanese are allowed to import 60 times more cars here than we are allowed to export to Japan. The Japanese sold 2.4 million cars here last year—including 1.3 million imports and 1.1 million transplants. The United States was allowed to sell just 30,128 cars in Japan. Is it fair to give Japan 33 percent of our market while we get a measly 1 percent of theirs? I do not think so. This is why I am an original cosponsor of this legislation.

Economics texts may prescribe policy for perfect competition. But we are dealing with imperfect competition here, and unfair trade. This has gone on too long.

By extending for 5 years the Super 301 provisions of the 1988 Trade Act, H.R. 5100 requires the United States Trade Representative [USTR] to annually report to Congress on countries that are trading unfairly with the United States. Once these countries are identified, constructive solutions to the trade barriers may be found. In recent years negotiations have successfully removed trade barriers, with retaliation used only as a last resort.

While the administration continues to rely on promises, this legislation seeks concretely to rectify the one-way flow of trade in the United States-Japan automotive and auto parts trade. It requires the USTR to conduct a Super 301 investigation into Japanese trade policies and practices, such as the keiretsu cartel, which prevent United States autos and autos parts from entering the Japanese market.

USTR also would have to negotiate with the Japanese an end to Japan's trade obstacles. We must stop the harmful status quo of United States-Japan trade relations before they do further harm to our economy and our workers. With a recession dragging on, now is not the time to let empty Japanese promises dictate our trade policy.

And yet, agreements are subject to Japan's willingness to abide by them. In testimony before Congress in April of this year, the administration asked Congress to wait until the global partnership plan of action negotiated during the President's January trip to Japan goes into effect.

But the Japanese Government has yet to provide the promised results. No financial incentives to promote car imports and foreign investments in Japanese markets have been issued. The structural impediments initiative [SII] negotiations to open Japan's markets to United States exports is uncertain, and unenforceable anyway. A joint United States Department of Commerce/Japan Ministry of Trade and Industry [MITI] motor vehicle study due July 1992 is not ready.

H.R. 5100 codifies all trade agreements between the United States and Japan. Rather than obstructing the administration's trade policies, Congress is merely trying to implement the commitments that the administration received from the Japanese in January.

The provisions of the Gephardt-Levin amendment are another important part of this legislation. I urge my colleagues to support it. This amendment would put into law the voluntary export limit of 1.65 million autos set by Japan on Japanese automobile exports to the United States. It also would require Japanese transplants in the United States to meet their commitment to increase their purchases of United States-made auto parts to 70 percent.

Failure to act could jeopardize 600,000 American jobs and result in a $22 billion deficit with Japan in the auto parts sector alone. Failure to act would allow the 300 to 400 Japanese auto parts firms to continue to profit enormously from their business with Japanese transplants in the United States while United States auto parts makers have just 2 percent of the Japanese market.

Mr. Chairman, this is an important first step. I urge my colleagues to support the Gephardt-Levin amendment and to support the bill.

Mr. BACCHUS. Mr. Chairman, I rise today in reluctant opposition to H.R. 5100. There is much good in the bill. I especially support the customs modernization provisions in the bill, and I commend Mr. GEPHARDT on these and other needed reforms.

My foremost concern is with the timing of this measure. This is the wrong bill at the wrong time. This is simply not the time to lash out at our trading partners, however much they deserve it. After 5 years, we seem finally on the verge of completing the long and exceedingly difficult Uruguay round of multilateral trade negotiations involving the General Agreement on Tariffs and Trade [GATT]. A historic treaty among more than 100 nations may at last be imminent. Passage of this bill now could risk undermining the success of these trade negotiations that are so critical to our economic growth and to the prosperity of the entire world.

"The Economist" recently predicted that approval of the Uruguay round would immediately raise global income by at least $120 billion a year—roughly one-half percent of today's gross world product. Reportedly, the United States would receive $35 billion of this new income. Will this bill produce such lucrative results? Why risk the tremendous potential benefits of the Uruguay round for American business and American workers for the sake of what is in many ways merely an exercise in legislative ventilation? The success of the Uruguay round is far more important than anything we are likely to achieve as a result of passing this bill.

Furthermore, while we must of course do all we can to fight unfair trade practices and to pry open foreign markets where American firms have been denied fair access, the fact remains that where our true long-term economic interests are concerned, multilateral trade negotiations are far, far preferable to unilateral actions such as those contemplated by H.R. 5100. We will have ample opportunity to review and, if necessary, adjust our trade laws when we consider the results of the Uruguay round as well as the results of the ongoing negotiations for a free-trade agreement among the United States, Canada, and Mexico.

Finally, despite its title, I fear that this Trade Expansion Act is really a trade reduction act. This bill will boomerang against U.S. exporters by provoking retaliation by our trading partners.

As a Representative from Florida, I know the importance of exports to the U.S. economy. More than 300,000 jobs in Florida are export-related. Exports generated approximately $16 billion for Florida businesses in 1990. Nationally, exports have accounted for 75 percent of our economic growth since 1988. Each $1 billion in exports supports about 20,000 export-related jobs. And these export-related jobs pay 17 percent more per hour than the average American wage.

We must not forget that even with our trade deficit with Japan, Japan remains America's second largest export market. Furthermore, we have a trade surplus with the European Community. Retaliation by Japan and the EC against the unilateral actions envisioned by H.R. 5100 could be particularly destructive to American agriculture and to aerospace and other American manufacturing sectors at a time when exports alone seem to be propelling our economy. The so-called Trade Expansion Act could end up shrinking our economy and shrinking our future.

Mr. STOKES. Mr. Chairman, I rise today in support of H.R. 5100, the Trade Expansion Act, which will extend Super 301 trade authority for 5 years, and also toughen our Nation's current antidumping and countervailing duty laws. I also strongly support the Gephardt-Levin amendment, which seeks to codify the agreements reached between the President and the Japanese Prime Minister in their joint action plan, regarding trade in automobiles and automobile parts. In short, these proposals will strengthen the hand of the President in his negotiations with foreign nations to open up markets and ensure free and fair trade worldwide.

I want to take this opportunity to commend the work of the chairman of the Ways and Means Committee, Congressman ROSTENKOWSKI, for his work in shepherding this bill to the floor. H.R. 5100 is balanced legislation that will give the administration additional tools to improve the international trading position of the United States, and ensure access for U.S. goods in foreign markets. The gentleman's efforts to hold this bill together, and bring meaningful, responsible trade legislation to the floor this year, deserves the thanks of all Members of the House.

H.R. 5100 contains a number of provisions to assist U.S. manufacturers to compete on an equal basis in international trade. Reauthorization of Super 301 procedures for 5 years will provide a systematic and ordered policymaking and negotiation framework for reducing foreign trade barriers. In addition, H.R. 5100 includes improvements in our Nation's antidumping and countervailing duty laws, which will help to prevent circumvention of these laws by foreign companies seeking to gain market share in the United States, at the expense of domestic producers.

Mr. Chairman, nowhere is the issue of market access for American products more acute than in United States-Japan trade relations. President Bush traveled to Tokyo this January to meet with the Japanese Prime Minister on the issue of trade negotiations between our two nations. The main focus of the talks was on the United States trade deficit with Japan in automobiles and automobile parts. The President and the Prime Minister announced a joint action plan at the end of their summit, where the Japanese manufacturers pledged to try to increase the U.S. content of their cars produced in the United States from the current level of 50 percent to 70 percent by 1994. The Japanese also pledged to voluntarily limit the number of cars they export to the United States to 1.65 million per year.

The Gephardt-Levin amendment to H.R. 5100 merely seeks to reinforce the pledges made by the Japanese in the joint action plan by codifying them into United States trade laws. The Gephardt-Levin amendment statutorily limits the number of cars Japan may import into the United States at 1.65 million per year as long as the automobile agreement between the European Community and Japan remains in force. The Gephardt-Levin amendment also simply codifies the Japanese pledge to produce cars with at least 70 percent domestic content at their transplant operations in the United States by 1994. It is a reasonable amendment which should receive the support of all Members of the House.

At a time when we have just completed enactment of yet another emergency unemployment benefits extension bill, and the announcement that unemployment has jumped to its highest level in more than 8 years, I believe that it is imperative that we pass legislation which will improve the ability of American manufacturers to export their products overseas, and thus employ more Americans to produce these products.

Mr. Chairman, I have listened to many members on the other side of the aisle argue that extending emergency unemployment benefits did not address the causes of unemployment, and therefore would not really help the unemployed worker. Well, to those Members I would say that insuring market access for American goods, and strengthening laws to prevent unfair foreign competition in the United States certainly addresses some of the causes of unemployment in our country. I would hope that those Members who have argued that preservation of existing jobs, and creation of new jobs is the answer to the unemployment problem will stand up today and show their commitment to helping America's unemployed workers by voting in support of H.R. 5100, and in support of the Gephardt-Levin amendment.

Mr. LIPINSKI. Mr. Speaker, I rise in support of H.R. 5100, the Trade Expansion Act. This legislation will help resolve the many important international trade issues we are facing today. With the end of the cold war, I believe international trade is the most critical issue effecting our Nation's future strength and prosperity and am pleased we are finally taking steps to put teeth into our trade policy.

The Super 301 provisions of the bill will revive the process by which our industries and government can identify and retaliate against unfair trade practices. I have often been frustrated by the inattention of the U.S. Trade

Representative to foreign trade violations, and this bill will require that office to respond. It is time the USTR acts as an advocate for American business rather than greasing the wheels for foreign competitors to enter our markets.

I also strongly support the Gephardt-Levin amendment which will bring fair trade to the auto industry. It is not radical or protectionist, but simply gives force of law to the commitments the Japanese made to President Bush in Tokyo. It will require Japanese transplants to use 70 percent American parts by 1994, as they promised. It also caps Japanese imports at a level the Japanese Government voluntarily established.

I believe this amendment will save jobs in the American auto industry, which is our most important industry in terms of jobs and GNP. Last year the United States accumulated more than a $30 billion auto trade deficit with Japan—a level that has not decreased in 5 years—despite the fact that our industry has made substantial gains in other markets and had a surplus with the European Community. Our continuing deficits with Japan are a direct result of unfair trading practices which limit access to the Japanese market.

I should also point out that the amendment does nothing to affect the production levels of Japanese transplants and will not negatively impact the thousands of American workers at those plants. There is no reason to fear that the amendment will cause job losses among American workers.

I congratulate Mr. ROSTENKOWSKI and the members of the Ways and Means Committee for their excellent work on this legislation and Mr. GEPHARDT and Mr. LEVIN for their amendment. American industries and workers will greatly benefit from their efforts.

Mr. SUNDQUIST. Mr. Chairman, we have no further requests for time, and I yield back the balance of my time.

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

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment, and shall be considered as read.

The text of the committee amendment in the nature of a substitute is as follows:

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Trade Expansion Act of 1992".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—MARKET ACCESS PROVISIONS

Subtitle A—Enforcement of United States Rights Under Trade Agreements and Response to Certain Foreign Trade Practices

Sec. 101. Extension of "Super 301" authority for 5 years.
Sec. 102. Review of the compliance by foreign countries with bilateral trade agreements.
Sec. 103. Increased access of United States rice and rice products to the Japanese, Korean, and Taiwanese markets.
Sec. 104. Consultations for purposes of preventing certain foreign actions that may become actionable under title III.
Sec. 105. Protection of intellectual property rights under "special 301" provisions.
Sec. 106. Denial of entry of certain reciprocal products.

Subtitle B—International Trade in Motor Vehicles and Motor Vehicle Parts

Sec. 111. Increased access of United States motor vehicles and motor vehicle parts to the Japanese market.
Sec. 112. Foreign-trade zone operations of producers in the motor vehicle and motor vehicle parts industry.

TITLE II—CUSTOMS MODERNIZATION

Sec. 201. Short title.
Sec. 202. Reference.

Subtitle A—Improvements in Customs Enforcement

Sec. 211. Penalties for violations of arrival, reporting, entry, and clearance requirements.
Sec. 212. Failure to declare.
Sec. 213. Customs testing laboratories; detention of merchandise.
Sec. 214. Recordkeeping.
Sec. 215. Examination of books and witnesses.
Sec. 216. Judicial enforcement.
Sec. 217. Review of protests.
Sec. 218. Repeal of provision relating to reliquidation on account of fraud.
Sec. 219. Penalties relating to manifests.
Sec. 220. Unlawful unlading or transshipment.
Sec. 221. Penalties for fraud, gross negligence, and negligence; prior disclosure.
Sec. 222. Penalties for false drawback claims.
Sec. 223. Interpretive rulings and decisions; public information.
Sec. 224. Seizure authority.

Subtitle B—National Customs Automation Program

Sec. 231. National Customs Automation Program.
Sec. 232. Drawback and refunds.
Sec. 233. Effective date of rates of duty.
Sec. 234. Definitions.
Sec. 235. Manifests.
Sec. 236. Invoice contents.
Sec. 237. Entry of merchandise.
Sec. 238. Appraisement and other procedures.
Sec. 239. Voluntary reliquidations.
Sec. 240. Appraisement regulations.
Sec. 241. Limitation on liquidation.
Sec. 242. Payment of duties and fees.
Sec. 243. Abandonment and damage.
Sec. 244. Customs officer's immunity.
Sec. 245. Protests.
Sec. 246. Refunds and errors.
Sec. 247. Bonds and other security.
Sec. 248. Customhouse brokers.
Sec. 249. Conforming amendments.

Subtitle C—Miscellaneous Amendments to the Tariff Act of 1930

Sec. 251. Administrative exemptions.
Sec. 252. Report of arrival.
Sec. 253. Entry of vessels.
Sec. 254. Unlawful return of foreign vessel papers.
Sec. 255. Vessels not required to enter.
Sec. 256. Unlading.
Sec. 257. Declarations.
Sec. 258. General orders.
Sec. 259. Unclaimed merchandise.
Sec. 260. Destruction of merchandise.
Sec. 261. Proceeds of sale.
Sec. 262. Entry under regulations.
Sec. 263. American trademarks.
Sec. 264. Seizure.
Sec. 265. Customs forfeiture fund.
Sec. 266. Limitation on actions.
Sec. 267. Collection of fees on behalf of other agencies.
Sec. 268. Authority to settle claims.
Sec. 269. Use of private collection agencies.

Subtitle D—Miscellaneous Provisions and Consequential and Conforming Amendments to Other Laws

Sec. 281. Amendments to the harmonized tariff schedules.
Sec. 282. Amendment to the Internal Revenue Code of 1986.
Sec. 283. Amendments to title 28, United States Code.
Sec. 284. Amendments to the Revised Statutes of the United States.
Sec. 285. Amendments to title 18, United States Code.
Sec. 286. Amendment to the Act to prevent pollution from ships.
Sec. 287. Amendments to the Act of November 6, 1966.
Sec. 288. Repeal of obsolete provisions of law.
Sec. 289. Reports to Congress.
Sec. 290. Applicability of amendments to entry or withdrawal of goods.

TITLE III—CUSTOMS AND TRADE AGENCY AUTHORIZATIONS FOR FISCAL YEARS 1993 AND 1994

Sec. 301. Customs and trade agency authorizations.
Sec. 302. Customs forfeiture fund.
Sec. 303. Repeal of east-west trade statistics monitoring system.
Sec. 304. Fees for certain customs services.
Sec. 305. Customs personnel airport work shift regulation.

TITLE IV—OTHER TRADE PROVISIONS

Subtitle A—Nontariff Provisions

CHAPTER 1—MISCELLANEOUS NONTARIFF PROVISIONS

Sec. 401. Market disruption.
Sec. 402. End-use certificates.
Sec. 403. Negotiations on anticompetitive practices.
Sec. 404. Machine tool import arrangements.
Sec. 405. Simplification of certain United States international trade laws.
Sec. 406. Congressional Research Service Special Trade Unit.
Sec. 407. Report regarding secondary Arab League boycott.

CHAPTER 2—IMPORT SANCTIONS TO CONTROL NUCLEAR PROLIFERATION

Sec. 411. Short title.
Sec. 412. Imposition of sanctions.
Sec. 413. Definitions.

Subtitle B—Foreign Subsidies and Countervailing and Antidumping Duty Amendments

Sec. 421. Administrative review of determinations.
Sec. 422. Material injury.
Sec. 423. Dual pricing of inputs.
Sec. 424. Report, and access to data, regarding countervailing and antidumping duty collections.
Sec. 425. Prevention of circumvention or diversion of antidumping and countervailing duty orders.
Sec. 426. Study by the administering authorities on ways to simplify initiation of countervailing and antidumping duty actions.
Sec. 427. Reports by United States Trade Representative on operation of commercial aircraft agreement.
Sec. 428. International trade agreements on antidumping.
Sec. 429. Trade distorting subsidies by foreign governments.
Sec. 430. Nonmarket economy country antidumping investigations.
Sec. 431. Material injury.
Sec. 432. Threat of injury standard.

Sec. 433. Principal trade negotiating objectives of the United States concerning dispute settlement mechanisms with respect to United States countervailing duty and anti-dumping actions.
Sec. 434. Change in effective date for certain administrative reviews.

Subtitle C—Other Tariff Provisions

Sec. 441. Generalized system of preferences.
Sec. 442. Implementation of Annex D of the Nairobi Protocol.
Sec. 443. Miscellaneous tariff provisions.
Sec. 444. Cost estimate.

TITLE I—MARKET ACCESS PROVISIONS

Subtitle A—Enforcement of United States Rights Under Trade Agreements and Response to Certain Foreign Trade Practices

SEC. 101. EXTENSION OF "SUPER 301" AUTHORITY FOR 5 YEARS.

Section 310(a)(1) of the Trade Act of 1974 (19 U.S.C. 2420(a)(1)) is amended by striking out "calendar year 1989, and also the date in calendar year 1990," and inserting "each of calendar years 1993, 1994, 1995, 1996, and 1997".

SEC. 102. REVIEW OF THE COMPLIANCE BY FOREIGN COUNTRIES WITH BILATERAL TRADE AGREEMENTS.

(a) AMENDMENT TO TITLE III.—Chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411 et seq.) is amended by inserting after section 306 the following new section:

"SEC. 306A. REQUESTS FOR REVIEW OF FOREIGN COMPLIANCE.

"(a) DEFINITIONS.—For purposes of this section—

"(1) The term 'interested person' means any person that has a significant economic interest that is being, or has been, adversely affected by the failure of a foreign country to comply materially with the terms of a trade agreement.

"(2) The term 'trade agreement' means any bilateral trade agreement to which the United States is a party; except—

"(A) the United States-Canada Free-Trade Agreement entered into on January 2, 1988, and

"(B) the Agreement on the Establishment of a Free Trade Area between the Government of the United States of America and the Government of Israel entered into on April 22, 1985.

"(b) REQUEST FOR REVIEW.—

"(1) An interested person may request the Trade Representative to undertake a review under this section to determine whether a foreign country is in material compliance with the terms of a trade agreement.

"(2) A request for the review of a trade agreement under this section may be made only during—

"(A) the 30-day period beginning on each anniversary of the effective date of the trade agreement; and

"(B) the 30-day period ending on the 90th day before the termination date of the trade agreement, if the first day of such 30-day period occurs not less than 180 days after the last occurring 30-day period referred to in subparagraph (A).

"(3) The Trade Representative shall commence a review under this section if the request—

"(A) is in writing;

"(B) includes information reasonably available to the petitioner regarding the failure of the foreign country to comply with the trade agreement;

"(C) identifies the economic interest of the petitioner that is being adversely affected by the failure referred to in subparagraph (B); and

"(D) describes the extent of the adverse effect.

"(4) If 2 or more requests are filed during any period described in paragraph (2) regarding the same trade agreement, all of such requests shall be joined in a single review of the trade agreement.

"(c) REVIEW.—

"(1) If 1 or more requests regarding any trade agreement are received during any period described in subsection (b)(2), then within 90 days after the last day of such period the Trade Representative shall determine whether the foreign country is in material compliance with the terms of the trade agreement.

"(2) In making a determination under paragraph (1), the Trade Representative shall take into account—

"(A) the extent to which the foreign country has adhered to the commitments it made to the United States;

"(B) the extent to which that degree of adherence has achieved the objectives of the agreement; and

"(C) any act, policy, or practice of the foreign country, or other relevant factor, that may have contributed directly or indirectly to material noncompliance with the terms of the agreement.

The acts, policies, or practices referred to in subparagraph (C) may include structural policies, tariff or nontariff barriers, or other actions which affect compliance with the terms of the agreement.

"(3) In conducting any review under paragraph (1), the Trade Representative may, if the Trade Representative considers such action necessary or appropriate—

"(A) consult with the Secretary of Commerce and the Secretary of Agriculture;

"(B) seek the advice of the United States International Trade Commission; and

"(C) provide opportunity for the presentation of views by the public.

"(d) ACTION AFTER AFFIRMATIVE DETERMINATION.—

"(1) If, on the basis of the review carried out under subsection (c), the Trade Representative determines that a foreign country is not in material compliance with the terms of a trade agreement, the Trade Representative shall determine what action to take under section 301(a).

"(2) For purposes of section 301, any determination made under subsection (c) shall be treated as a determination made under section 304.

"(3) In determining what action to take under section 301(a), the Trade Representative shall seek to minimize the adverse impact on existing business relations or economic interests of United States persons, including products for which a significant volume of trade does not currently exist.

"(e) INTERNATIONAL OBLIGATIONS.—Nothing in this section may be construed as requiring actions that are inconsistent with the international obligations of the United States, including the General Agreement on Tariffs and Trade.".

(b) CONFORMING AMENDMENTS.—

(1) CONGRESSIONAL NOTIFICATION.—Section 309(3)(A) of the Trade Act of 1974 (19 U.S.C. 2419(3)(A)) is amended by striking out "section 302," and inserting "sections 302 and 306A(c),".

(2) TABLE OF CONTENTS.—The table of contents of the Trade Act of 1974 relating to chapter 1 of title III is amended by inserting after the item relating to section 306 the following:

"Sec. 306A. Requests for review of foreign compliance.".

SEC. 103. INCREASED ACCESS OF UNITED STATES RICE AND RICE PRODUCTS TO THE JAPANESE, KOREAN, AND TAIWANESE MARKETS.

(a) INITIATION OF "SECTION 301" INVESTIGATION.—Within 45 days after the date of the enactment of this Act, the United States Trade Representative shall initiate an investigation under section 302(b)(1) of the Trade Act of 1974 (19 U.S.C. 2412(b)(1)) regarding all those acts, policies, and practices of Japan, Korea, and Taiwan that affect the access of rice and rice products produced in the United States to the market of each of such countries.

(b) NEGOTIATIONS.—During the period of the investigation required under subsection (a), the United States Trade Representative shall seek the elimination of the acts, policies, and practices referred to in subsection (a), either—

(1) pursuant to the Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade; or

(2) on a bilateral basis with the governments of each of the countries referred to in subsection (a).

(c) REPORT ON NEGOTIATIONS.—No later than March 1, 1993, the United States Trade Representative shall submit to Congress a report that states whether, and to what extent, the negotiations required under subsection (b) have been successful and, if such negotiations have not been successful, the report shall also—

(1) state in detail the reasons therefor; and

(2) set forth those actions that will be taken to achieve the purposes of this section.

SEC. 104. CONSULTATIONS FOR PURPOSES OF PREVENTING CERTAIN FOREIGN ACTIONS THAT MAY BECOME ACTIONABLE UNDER TITLE III.

(a) IN GENERAL.—Section 302(a) of the Trade Act of 1974 (19 U.S.C. 2412(a)) is amended by inserting after paragraph (4) the following:

"(5) If the Trade Representative—

"(A) makes, with respect to a petition containing an allegation referred to in section 301(a)(1)(B)(ii) or (b)(1), a negative determination under paragraph (2) on the basis that a burden or restriction on United States commerce currently does not exist, but

"(B) considers that such a burden or restriction is likely to exist if the foreign country concerned either continues to apply, or implements a heretofore unexecuted aspect of, the act, policy, or practice involved,

the Trade Representative shall request consultations with the foreign country for purposes of preventing circumstances that may lead to renewed allegations that the act, policy, or practice burdens or restricts United States commerce.".

(b) EXPEDITED CONSULTATIONS.—Section 303 of such Act (19 U.S.C. 2413) is amended—

(1) by striking out "commenced," in subsection (a)(2)(B) and inserting "commenced (or the 90th day after the day on which consultation was commenced if previous consultation with the foreign country concerned regarding any issue under investigation was requested or engaged in under section 302(a)(5)),";

(2) by inserting after subparagraph (B) of subsection (b)(1) the following flush sentence:

"The Trade Representative may not delay consultations under the authority of this subsection if previous consultation with the foreign country concerned regarding any issue under investigation was requested or engaged in under section 302(a)(5)."

(c) REPORT.—Section 309(3)(A) of such Act (19 U.S.C. 2419(3)(A)) (as amended by section 102(b)(1)) is further amended by inserting after "306A(c)," the following: "and, if consultations are requested or engaged in under section 302(a)(5), the response of the foreign government to the request or the progress in, or results of, such consultations, as the case may be,".

SEC. 105. PROTECTION OF INTELLECTUAL PROPERTY RIGHTS UNDER "SPECIAL 301" PROVISIONS.

Section 182 of the Trade Act of 1974 (19 U.S.C. 2242(d)(2)) is amended—

(1) by amending subsection (a)(1)—

(A) by striking out "or" at the end of subparagraph (A),

(B) by striking out "and" at the end of subparagraph (B) and inserting "or", and

(C) by inserting after subparagraph (B) the following:

"(C) deny adequate substantive standards, and";

(2) by amending subsection (b)(1)(A)—

(A) by striking out "or" at the end of clause (i),

(B) by inserting "or" after the comma at the end of clause (ii), and

(C) by inserting after clause (ii) the following:

"(iii) deny adequate substantive standards,"; and

(3) by amending subsection (d) by adding at the end thereof the following:

"(4) A foreign country denies adequate substantive standards if the country enforces or permits procedures under its patent approval system that result in, among other practices—

"(A) patent applications being subject to pregrant opposition,

"(B) the extended deferral beyond 3 years of patent examination,

"(C) an inordinately long period of time being required for approval of applications,

"(D) an issued patent term of less than 17 years from date of grant or 20 years from date of file, or

"(E) inordinate delay in obtaining or unavailability of judicial review of denied applications.".

SEC. 106. DENIAL OF ENTRY OF CERTAIN RECIPROCAL PRODUCTS.

(a) IN GENERAL.—

(1) IDENTIFICATION OF RECIPROCAL PRODUCTS.—If the Trade Representative—

(A) identifies a foreign country as a priority foreign country under section 182(a)(2) of the Trade Act of 1974 (19 U.S.C. 2242(a)(2)); and

(B) as a result of an investigation commenced under section 302(b) of the Trade Act of 1974 (19 U.S.C. 2412(a)) pursuant to the identification referred to in subparagraph (A), makes an affirmative determination under section 304(a)(1) of such Act that the denial of adequate and effective protection of intellectual property rights by such country is an act, policy, or practice that is unreasonable and burdens or restricts United States commerce;

the Trade Representative shall identify each product (hereinafter referred to in this section as a "reciprocal product") or group of reciprocal products that—

(i) is manufactured, prepared, propagated, compounded, or processed in one or more establishments within such country, and

(ii) is directly related to the denial of adequate and effective protection of intellectual property rights that is determined under subparagraph (B) to be unreasonable and a burden or restriction on United States commerce.

(2) NOTICE OF RECIPROCAL PRODUCT IDENTIFICATIONS.—At the time an affirmative determination referred to in paragraph (1)(B) is made, the Trade Representative shall cause to be published in the Federal Register a notice containing the reciprocal product identifications made under paragraph (1) as a consequence of such determination.

(b) DENIAL OF ENTRY TO RECIPROCAL PRODUCTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall deny entry to each reciprocal product.

(2) EXCEPTION.—The Secretary may not deny entry under the authority of paragraph (1) to any reciprocal product of a foreign country if the Trade Representative determines that—

(A) such country is taking satisfactory steps to provide adequate and effective protection of intellectual property rights,

(B) such country has agreed to an imminent solution, that is satisfactory to the Trade Representative, to the burden or restriction on United States commerce,

(C) such country has agreed to provide compensatory trade benefits that are satisfactory to the Trade Representative, or

(D) in an extraordinary case, where the taking of action under this subsection would have an adverse impact on the United States economy substantially out of proportion to the benefits of such action, taking into account the impact of not taking such action on the credibility of the provisions of this section.

The Trade Representative shall cause to be published in the Federal Register a notice of any determination made under this paragraph.

(3) NOTIFICATION.—The Secretary shall notify the appropriate importer of record or consignee of each denial of entry imposed under the authority of paragraph (1).

(4) EXPORTATION OR DESTRUCTION.—The Secretary shall destroy any reciprocal product for which entry is denied under paragraph (1) unless the product is exported from the United States, in accordance with regulations prescribed by the Secretary, within the 90-day period (or such longer period as may be permitted under regulation) after the day on which notice regarding the product is issued under paragraph (3).

(c) REGULATIONS.—The Trade Representative and Secretary shall each prescribe such regulations as are necessary or appropriate to carry out the respective functions given them under this section.

(d) DEFINITIONS.—As used in this section—

(1) The term "entry" includes a withdrawal from warehouse for consumption.

(2) The term "Secretary" means the Secretary of the Treasury.

(3) The term "Trade Representative" means the United States Trade Representative.

Subtitle B—International Trade in Motor Vehicles and Motor Vehicle Parts

SEC. 111. INCREASED ACCESS OF UNITED STATES MOTOR VEHICLES AND MOTOR VEHICLE PARTS TO THE JAPANESE MARKET.

(a) INITIATION OF "SECTION 301" INVESTIGATION.—Within 45 days after the date of the enactment of this Act, the United States Trade Representative shall initiate an investigation under section 302(b)(1) of the Trade Act of 1974 (19 U.S.C. 2412(b)(1)) regarding all those acts, policies, and practices of Japan, including, but not limited to—

(1) the acts, policies, and practices utilized in the Japanese automotive distribution system;

(2) the toleration of systematic anticompetitive activities by or among private firms (including the relationships commonly known as "Keiretsu");

(3) exclusionary business practices; and

(4) testing requirements and other government regulations;

that affect the access to the Japanese market of motor vehicles and motor vehicle parts produced by manufacturers, other than those that are Japanese owned or controlled, that are located in the United States (hereafter in this section referred to as "United States manufacturers").

(b) TRADE AGREEMENT.—During the period of the investigation required under subsection (a), the United States Trade Representative shall enter into negotiations with the Government of Japan for the purpose of concluding a trade agreement that—

(1) eliminates or modifies those aspects of the acts, policies, and practices referred to in subsection (a) that act as barriers to the Japanese market for exports of motor vehicles and motor vehicle parts produced by United States manufacturers;

(2) provides for the prompt implementation and enforcement by the Government of Japan of its commitments under the Structural Impediments Initiative (SII), the Market-Oriented Sector Specific (MOSS) agreements, the Market-Oriented Cooperation Plan (MOCP), and the Action Plan announced at the Tokyo Summit in January 1992 with respect to trade in, and the purchase of, motor vehicles and motor vehicle parts;

(3) establishes longer term goals for the purchase by Japanese motor vehicle manufacturers of high value-added motor vehicle parts and accessories from United States manufacturers through immediate parts sourcing arrangements and "design-in" projects aimed at new model development; and

(4) establishes procedures for the exchange of information between the appropriate agencies of the United States and Japanese Governments that will permit the accurate assessment of the bilateral trade in motor vehicle parts, particularly with respect to the extent of the purchase of motor vehicle parts produced by United States manufacturers for use by Japanese sources in the Japanese market.

The United States Trade Representative should seek the support of other interested foreign governments in obtaining a trade agreement under this subsection.

(c) REPORT IF NEGOTIATIONS UNSUCCESSFUL.—If the negotiations undertaken pursuant to subsection (b) are not successful, the United States Trade Representative shall submit to the Congress a report that—

(1) states in detail the reasons why the negotiations were not successful; and

(2) sets forth those actions that will be taken, or will be proposed for congressional consideration, to achieve the objectives sought in the negotiations.

Such report shall be submitted no later than the date by which the determinations under section 304 of the Trade Act of 1974 are required with respect to the investigation initiated under subsection (a).

SEC. 112. FOREIGN-TRADE ZONE OPERATIONS OF PRODUCERS IN THE MOTOR VEHICLE AND MOTOR VEHICLE PARTS INDUSTRY.

In the administration of the Act of June 18, 1934 (commonly known as the "Foreign-Trade Zones Act"), the Board established by such Act shall—

(1) review the operations of United States and foreign motor vehicle and motor vehicle parts producers to determine whether the foreign trade zones (including subzones) of such producers have a net positive economic effect on the United States, according to the standards set forth in such Act and the regulations issued by such Board on October 8, 1991 (15 CFR Part 400); and

(2) on the basis of its review, take appropriate action authorized by existing law and regulations, including the possible revocation or modification of a zone or subzone grant, with respect to any producer referred to in paragraph (1) whose operations in a foreign trade zone are determined not to have a net positive effect on the United States economy.

TITLE II—CUSTOMS MODERNIZATION

SEC 201. SHORT TITLE.

This title may be cited as the "Customs Modernization and Informed Compliance Act".

SEC. 202. REFERENCE.

Whenever in subtitle A, B, or C of this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a part, section, subsection, or other provision, the reference shall be considered to be made to a part, section, subsection, or other provision of the Tariff Act of 1930 (19 U.S.C. 1202 et seq.).

Subtitle A—Improvements in Customs Enforcement

SEC. 211. PENALTIES FOR VIOLATIONS OF ARRIVAL, REPORTING, ENTRY, AND CLEARANCE REQUIREMENTS.

Section 436 (19 U.S.C. 1436) is amended—

(1) by amending subsection (a)—

(A) by striking out "433" in paragraph (1) and inserting "431, 433, or 434 of this Act or section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91)",

(B) by amending paragraph (2) to read as follows:

"(2) present or transmit, electronically or otherwise, any forged, altered, or false document, paper information, data or manifest to the Customs Service under section 431(e), 433(d), or 434 of this Act or section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91) without revealing the facts; or", and

(C) by amending paragraph (3) to read as follows:

"(3) to fail to make entry or to obtain clearance as required by section 434 or 644 of this Act, section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91), or section 1109 of the Federal Aviation Act of 1958 (49 U.S.C. 1509); or"; and

*(2) by striking out "**and entry**" in the section heading and inserting "**entry, and clearance**".*

SEC. 212. FAILURE TO DECLARE.

Section 497(a) (19 U.S.C. 1497(a)) is amended—

(1) by inserting "or transmitted" after "made" in paragraph (1)(A); and

(2) by amending paragraph (2)(A) to read as follows:

"(A) if the article is a controlled substance, either $500 or an amount equal to 1,000 percent of the value of the article, whichever amount is greater; and".

SEC. 213. CUSTOMS TESTING LABORATORIES; DETENTION OF MERCHANDISE.

(a) AMENDMENT.—Section 499 (19 U.S.C. 1499) is amended to read as follows:

"SEC. 499. EXAMINATION OF MERCHANDISE.

"(a) ENTRY EXAMINATION.—

"(1) IN GENERAL.—Imported merchandise that is required by law or regulation to be inspected, examined, or appraised shall not be delivered from customs custody (except under such bond or other security as may be prescribed by the Secretary to assure compliance with all applicable laws, regulations, and instructions which the Secretary or the Customs Service is authorized to enforce) until the merchandise has been inspected, appraised, or examined and is reported by the Customs Service to have been truly and correctly invoiced and found to comply with the requirements of the laws of the United States.

"(2) EXAMINATION.—The Customs Service—

"(A) shall designate the packages or quantities of merchandise covered by any invoice or entry which are to be opened and examined for the purpose of appraisement or otherwise;

"(B) shall order such packages or quantities to be sent to such place as is designated by the Secretary by regulation for such purpose;

"(C) may require such additional packages or quantities as the Secretary considers necessary for such purpose; and

"(D) shall inspect a sufficient number of shipments, and shall examine a sufficient number of entries, to ensure compliance with the laws enforced by the Customs Service.

"(3) UNSPECIFIED ARTICLES.—If any package contains any article not specified in the invoice or entry and, in the opinion of the Customs Service, the article was omitted from the invoice or entry—

"(A) with fraudulent intent on the part of the seller, shipper, owner, agent, importer of record or entry filer, the contents of the entire package in which such article is found shall be subject to seizure; or

"(B) without fraudulent intent, the value of the article shall be added to the entry and the duties, fees and taxes thereon paid accordingly.

"(4) DEFICIENCY.—If a deficiency is found in quantity, weight, or measure in the examination of any package, the person finding the deficiency shall make a report thereof to the Customs Service. The Customs Service shall make allowance for the deficiency in the liquidation of duties.

"(b) TESTING LABORATORIES.—

"(1) ACCREDITATION OF PRIVATE TESTING LABORATORIES.—The Customs Service shall establish and implement a procedure, under regulations promulgated by the Secretary, for accrediting private laboratories within the United States which may be used to perform tests (that would otherwise be performed by Customs Service laboratories) to establish the characteristics, quantities, or composition of imported merchandise. Such regulations—

"(A) shall establish the conditions required for the laboratories to receive and maintain accreditation for purposes of this subsection;

"(B) shall establish the conditions regarding the suspension and revocation of accreditation, which may include the imposition of a monetary penalty not to exceed $100,000 and such penalty is in addition to the recovery, from a gauger or laboratory accredited under paragraph (1), of any loss of revenue that may have occurred, but the Customs Service—

"(i) may seek to recover lost revenue only in cases where the gauger or laboratory intentionally falsified the analysis or gauging report in collusion with the importer; and

"(ii) shall neither assess penalties nor seek to recover lost revenue because of a good faith difference of professional opinion; and

"(C) may provide for the imposition of a charge for accreditation and periodic reaccreditation.

The collection of any charge for accreditation and reaccreditation under this section is not prohibited by section 13031(d)(6) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(d)(6)).

"(2) APPEAL OF ADVERSE ACCREDITATION DECISIONS.—A laboratory applying for accreditation, or that is accredited, under this section may contest any decision or order of the Customs Service denying, suspending, or revoking accreditation, or imposing a monetary penalty, by commencing an action in accordance with chapter 169 of title 28, United States Code, in the Court of International Trade within 60 days after issuance of the decision or order.

"(3) TESTING BY ACCREDITED LABORATORIES.—When requested by an importer of record of merchandise, the Customs Service shall authorize the release to the importer of a representative sample of the merchandise for testing, at the expense of the importer, by a laboratory accredited under paragraph (1). The testing results from a laboratory accredited under paragraph (1) that are submitted by an importer of record with respect to merchandise in an entry shall, in the absence of testing results obtained from a Customs Service laboratory, be accepted by the Customs Service if the importer of record certifies that the sample tested was taken from the merchandise in the entry. Nothing in this subsection shall be construed to in any way limit or preclude the authority of the Customs Service to test or analyze any sample or merchandise independently.

"(4) AVAILABILITY OF TESTING PROCEDURE, METHODOLOGIES, AND INFORMATION.—Testing procedures and methodologies used by the Customs Service, and information resulting from any testing conducted by the Customs Service, shall be made available as follows:

"(A) Testing procedures and methodologies shall be made available upon request to any person unless the procedures or methodologies are—

"(i) proprietary to the holder of a copyright or patent, or

"(ii) developed by the Customs Service for enforcement purposes.

"(B) Information resulting from testing shall be made available upon request to the importer of record and any agent thereof unless the information—

"(i) is proprietary to the holder of a copyright or patent; or

"(ii) reveals information developed by the Customs Service for enforcement purposes.

"(5) MISCELLANEOUS PROVISIONS.—For purposes of this subsection—

"(A) any reference to a private laboratory includes a reference to a private gauger; and

"(B) accreditation of private laboratories extends only to the performance of functions by such laboratories that are within the scope of those responsibilities for determinations of the elements relating to admissibility, quantity, composition, or characteristics of imported merchandise that are vested in, or delegated to, the Customs Service.

"(c) DETENTIONS.—Except in the case of merchandise with respect to which the determination of admissibility is vested in an agency other than the Customs Service, the following apply:

"(1) IN GENERAL.—Within the 5-day period (excluding weekends and holidays) following the date on which merchandise is presented for customs examination, the Customs Service shall decide whether to release or detain the merchandise. Merchandise which is not released within such 5-day period shall be considered to be detained merchandise.

"(2) NOTICE OF DETENTION.—The Customs Service shall issue a notice to the importer or other party having an interest in detained merchandise no later than 5 days, excluding weekends and holidays, after the decision to detain the merchandise is made. The notice shall advise the importer or other interested party of—

"(A) the initiation of the detention;

"(B) the specific reason for the detention;

"(C) the anticipated length of the detention;

"(D) the nature of the tests or inquiries to be conducted; and

"(E) the nature of any information which, if supplied to the Customs Service, may accelerate the disposition of the detention.

"(3) TESTING RESULTS.—Upon request by the importer or other party having an interest in detained merchandise, the Customs Service shall provide the party with copies of the results of any testing conducted by the Customs Service on the merchandise and a description of the testing procedures and methodologies (unless such procedures or methodologies are proprietary to the holder of a copyright or patent or were developed by the Customs Service for enforcement purposes). The results and test description shall be in sufficient detail to permit the duplication and analysis of the testing and the results.

"(4) SEIZURE AND FORFEITURE.—If otherwise provided by law, detained merchandise may be seized and forfeited.

"(5) EFFECT OF FAILURE TO MAKE DETERMINATION.—

"(A) The failure by the Customs Service to make a final determination with respect to the admissibility of detained merchandise within 30 days after the merchandise has been presented for customs examination, or such longer period if specifically authorized by law, shall be treated as a decision of the Customs Service to exclude the merchandise for purposes of section 514(a)(4).

"(B) For purposes of section 1581 of title 28, United States Code, a protest against the decision to exclude the merchandise which has not been allowed or denied in whole or in part before the 30th day after the day on which the protest was filed shall be treated as having been denied on such 30th day.

"(C) Notwithstanding section 2639 of title 28, United States Code, once an action respecting a

detention is commenced, unless the Customs Service establishes by a preponderance of the evidence that an admissibility decision has not been reached for good cause, the court shall grant the appropriate relief which may include, but is not limited to, an order to cancel the detention and release the merchandise.".

(b) EXISTING LABORATORIES.—Accreditation under section 499(b) of the Tariff Act of 1930 (as added by subsection (a)) is not required for any private laboratory (including any gauger) that was accredited or approved by the Customs Service as of the day before the date of the enactment of this title; but any such laboratory is subject to reaccreditation under the provisions of such section and the regulations promulgated thereunder.

SEC. 214. RECORDKEEPING.

Section 508 (19 U.S.C. 1508) is amended—

(1) by amending subsection (a) to read as follows:

"(a) REQUIREMENT.—Any—

"(1) owner, importer, consignee, importer of record, entry filer, or other party who—

"(A) imports, files a drawback claim, or transports or stores merchandise carried or held under bond, or

"(B) knowingly causes the importation or transportation or storage of merchandise carried or held under bond into or from the customs territory of the United States;

"(2) agent of any party described in paragraph (1); or

"(3) person whose activities require the filing of a declaration or entry, or both;

shall make, keep, and render for examination and inspection such records (including, but not limited to, statements, declarations, documents and electronically generated or machine readable data) which—

"(A) pertain to any such activity, or to the information contained in the documents, records or electronically generated or machine readable data required by this Act in connection with such activity; and

"(B) are normally kept in the ordinary course of business."; and

(2) by amending subsection (c) to read as follows:

"(c) PERIOD OF TIME.—The records required by subsections (a) and (b) shall be kept for such period of time, not to exceed 5 years from the date of entry or exportation, as appropriate, as the Secretary shall prescribe; except that records for any drawback claim shall be kept until the 3rd anniversary of the date of payment of the claim.".

SEC. 215. EXAMINATION OF BOOKS AND WITNESSES.

Section 509 (19 U.S.C. 1509) is amended as follows:

(1) Subsection (a) is amended—

(A) by striking out "and taxes" wherever it appears and inserting ", fees and taxes";

(B) by inserting "or electronically generated or machine readable data," after "other document," in paragraph (1);

(C) by striking out the semicolon at the end of paragraph (1) and inserting ", except that—

"(A) if such record, statement, declaration, document, or electronically stored or transmitted information or data is required by law or regulation for the entry of the merchandise (whether or not the Customs Service required its presentation at the time of entry) it shall be provided to the Customs Service within a reasonable time after demand for its production is made, taking into consideration the number, type, and age of the item demanded; and

"(B) if a person of whom demand is made under subparagraph (A) fails to comply with the demand, the person may be subject to penalty under subsection (g);";

(D) by amending that part of paragraph (2) that precedes subparagraph (D) to read as follows:

"(2) summon, upon reasonable notice—

"(A) the person who—

"(i) imported, or knowingly caused to be imported, merchandise into the customs territory of the United States,

"(ii) exported merchandise, or knowingly caused merchandise to be exported, to Canada,

"(iii) transported or stored merchandise that was or is carried or held under customs bond, or knowingly caused such transportation or storage, or

"(iv) filed a declaration, entry, or drawback claim with the Customs Service;

"(B) any officer, employee, or agent of any person described in subparagraph (A);

"(C) any person having possession, custody or care of records (including electronically generated or machine readable data) relating to the importation or other activity described in subparagraph (A); or"; and

(E) by striking out the comma at the end of subparagraph (D) and inserting a semicolon.

(2) Subsections (b) and (c) are redesignated as subsections (c) and (d), respectively.

(3) The following new subsection is inserted after subsection (a):

"(b) REGULATORY AUDIT PROCEDURES.—

"(1) In conducting a regulatory audit under this section (which does not include a quantity verification for a customs bonded warehouse or general purpose foreign trade zone), the Customs Service auditor shall provide the person being audited, in advance of the audit, with a reasonable estimate of the time to be required for the audit. If in the course of an audit it becomes apparent that additional time will be required, the Customs Service auditor shall immediately provide a further estimate of such additional time.

"(2) Before commencing an audit, the Customs Service auditor shall inform the party to be audited of his right to an entry conference at which time the purpose will be explained and an estimated termination date set. Upon completion of on-site audit activities, the Customs Service auditor shall schedule a closing conference to explain the preliminary results of the audit.

"(3) Except as provided in paragraph (5), if the estimated or actual termination date for an audit passes without the Customs Service auditor providing a closing conference to explain the results of the audit, the person being audited may petition in writing for such a conference to the appropriate regional commissioner, who, upon receipt of such a request, shall provide for such a conference to be held within 15 days after the date of receipt.

"(4) Except as provided in paragraph (5), the Customs Service auditor shall complete the formal written audit report within 90 days following the closing conference unless the appropriate regional commissioner provides written notice to the person being audited of the reason for any delay and the anticipated completion date. After application of any exemption contained in section 552 of title 5, United States Code, a copy of the formal written audit report shall be sent to the person audited no later than 30 days following completion of the report.

"(5) Paragraphs (3) and (4) shall not apply after the Customs Service commences a formal investigation with respect to the issue involved.".

(4) Subsection (d) (as redesignated by paragraph (2)) is amended—

(A) by striking out "or documents" in paragraph (1)(A) and inserting "documents, or electronically generated or machine readable data";

(B) by inserting ", unless such customhouse broker is the importer of record on an entry" after "broker" in paragraph (1)(C)(i);

(C) by striking out "import" in each of paragraphs (2)(B) and (4)(B);

(D) by inserting "described in section 508" after "transactions" in each of paragraphs (2)(B) and (4)(B); and

(E) by inserting ", fees," after "duties" in paragraph (4)(A).

(5) The following new subsections are added at the end thereof:

"(e) LIST OF RECORDS AND INFORMATION.—The Customs Service shall identify and publish a list of the records or entry information that is required to be maintained and produced under subsection (a)(1)(A).

"(f) RECORDKEEPING COMPLIANCE PROGRAM.—

"(1) IN GENERAL.—After consultation with the importing community, the Customs Service shall by regulation establish a recordkeeping compliance program which the parties listed in section 508(a) may participate in after being certified by the Customs Service under paragraph (2). Participation in the recordkeeping compliance program by recordkeepers is voluntary.

"(2) CERTIFICATION.—A recordkeeper may be certified as a participant in the recordkeeping compliance program after meeting the general recordkeeping requirements established under the program or after negotiating an alternative program suited to the needs of the recordkeeper and the Customs Service. Certification requirements shall take into account the size and nature of the importing business and the volume of imports. In order to be certified, the recordkeeper must be able to demonstrate that it—

"(A) understands the legal requirements for recordkeeping, including the nature of the records required to be maintained and produced and the time periods involved;

"(B) has in place procedures to explain the recordkeeping requirements to those employees that are involved in the preparation, maintenance, and production of required records;

"(C) has in place procedures regarding the preparation and maintenance of required records, and the production of such records to the Customs Service;

"(D) has designated a dependable individual or individuals to be responsible for recordkeeping compliance under the program and whose duties include maintaining familiarity with the recordkeeping requirements of the Customs Service;

"(E) has a record maintenance procedure approved by the Customs Service for original records, or, if approved by the Customs Service, for alternative records or recordkeeping formats other than the original records; and

"(F) has procedures for notifying the Customs Service of occurrences of variances to, and violations of, the requirements of the recordkeeping compliance program or the negotiated alternative programs, and for taking corrective action when notified by the Customs Service of violations or problems regarding such program.

"(g) PENALTIES.—

"(1) DEFINITION.—For purposes of this subsection, the term 'information' means any record, statement, declaration, document, or electronically stored or transmitted information or data referred to in subsection (a)(1)(A).

"(2) EFFECTS OF FAILURE TO COMPLY WITH DEMAND.—Except as provided in paragraph (4), if a person fails to comply with a lawful demand for information under subsection (a)(1)(A) the following provisions apply:

"(A) If the failure to comply is a result of the willful failure of the person to maintain, store, or retrieve the demanded information, such person shall be subject to a penalty, for each release of merchandise, not to exceed $100,000, or an amount equal to 75 percent of the appraised value of the merchandise, whichever amount is less.

"(B) If the failure to comply is a result of the negligence of the person in maintaining, storing, or retrieving the demanded information, such person shall be subject to a penalty, for each release of merchandise, not to exceed $10,000, or an amount equal to 40 percent of the appraised

value of the merchandise, whichever amount is less.

"(C) In addition to any penalty imposed under subparagraph (A) or (B) regarding demanded information, if such information related to the eligibility of merchandise for a column 1 special rate of duty under title I, the entry of such merchandise—

"(i) if unliquidated, shall be liquidated at the applicable column 1 general rate of duty; or

"(ii) if liquidated within the 2-year period preceding the date of the demand, shall be reliquidated, notwithstanding the time limitation in section 514 or 520, at the applicable column 1 general rate of duty;

except that any liquidation or reliquidation under clause (i) or (ii) shall be at the applicable column 2 rate of duty if the Customs Service demonstrates that the merchandise should be dutiable at such rate.

"(3) AVOIDANCE OF PENALTY.—No penalty may be assessed under this subsection if the person can show—

"(A) that the loss of the demanded information was the result of an act of God or other natural casualty or disaster beyond the fault of such person or an agent of the person;

"(B) on the basis of other evidence satisfactory to the Customs Service, that the demand was substantially complied with; or

"(C) the information demanded was presented to and retained by the Customs Service at the time of entry or submitted in response to an earlier demand.

"(4) PENALTIES NOT EXCLUSIVE.—Any penalty imposed under this subsection shall be in addition to any other penalty provided by law except for—

"(A) a penalty imposed under section 592 for a material omission of the demanded information, or

"(B) disciplinary action taken under section 641.

"(5) REMISSION OR MITIGATION.—A penalty imposed under this section may be remitted or mitigated under section 618.

"(6) CUSTOMS SUMMONS.—Nothing in this subsection shall limit or preclude the Customs Service from issuing, or seeking the enforcement of, a customs summons.

"(7) ALTERNATIVES TO PENALTIES.—

"(A) IN GENERAL.—When a recordkeeper that—

"(i) has been certified as a participant in the recordkeeping compliance program under subsection (f); and

"(ii) is generally in compliance with the appropriate procedures and requirements of the program;

does not produce a demanded record or information for a specific release or provide the information by acceptable alternative means, the Customs Service, in the absence of willfulness or repeated violations, shall issue a written notice of the violation to the recordkeeper in lieu of a monetary penalty. Repeated violations by the recordkeeper may result in the issuance of penalties and removal of certification under the program until corrective action, satisfactory to the Customs Service, is taken.

"(B) CONTENTS OF NOTICE.—A notice of violation issued under subparagraph (A) shall—

"(i) state that the recordkeeper has violated the recordkeeping requirements;

"(ii) indicate the record or information which was demanded; and

"(iii) warn the recordkeeper that future failures to produce demanded records or information may result in the imposition of monetary penalties.

"(C) RESPONSE TO NOTICE.—Within a reasonable time after receiving written notice under subparagraph (A), the recordkeeper shall notify the Customs Service of the steps it has taken to prevent a recurrence of the violation.

"(D) REGULATIONS.—The Secretary shall promulgate regulations to implement this paragraph. Such regulations may specify the time periods for compliance with a demand for information and provide guidelines which define repeated violations for purposes of this paragraph. Any penalty issued for a recordkeeping violation shall take into account the degree of compliance compared to the total number of importations, the nature of the demanded records and the recordkeeper's cooperation.".

SEC. 216. JUDICIAL ENFORCEMENT.

The second sentence of section 510(a) (19 U.S.C. 1510(a)) is amended by inserting "and such court may assess a monetary penalty" after "as a contempt thereof".

SEC. 217. REVIEW OF PROTESTS.

Section 515 (19 U.S.C. 1515) is amended by inserting at the end the following new subsections:

"(c) If a protesting party believes that an application for further review was erroneously or improperly denied or was denied without authority for such action, it may file with the Commissioner of Customs a written request that the denial of the application for further review be set aside. Such request must be filed within 90 days after the date of the notice of the denial. The Commissioner of Customs may review such request and, based solely on the information before the Customs Service at the time the application for further review was denied, may set aside the denial of the application for further review and void the denial of protest, if appropriate. If the Commissioner of Customs fails to act within 30 days after the date of the request, the request shall be considered denied. All denials of protests are effective from the date of original denial for purposes of section 2636 of title 28, United States Code. If an action is commenced in the Court of International Trade that arises out of a protest or an application for further review, all administrative action pertaining to such protest or application shall terminate and any administrative action taken subsequent to the commencement of the action is null and void.

"(d) If a protest is timely and properly filed, but is denied contrary to proper instructions, the Customs Service may on its own initiative, or pursuant to a written request by the protesting party filed with the appropriate district director within 90 days after the date of the protest denial, void the denial of the protest.".

SEC. 218. REPEAL OF PROVISION RELATING TO RELIQUIDATION ON ACCOUNT OF FRAUD.

Section 521 (19 U.S.C. 1521) is repealed.

SEC. 219. PENALTIES RELATING TO MANIFESTS.

Section 584 (19 U.S.C. 1584) is amended—

(1) by amending subsection (a)—

(A) by striking out "appropriate customs officer" wherever it appears and inserting "Customs Service",

(B) by striking out "officer demanding the same" in paragraph (1) and inserting "officer (whether of the Customs Service or the Coast Guard) demanding the same", and

(C) by inserting "(electronically or otherwise)" after "submission" in the last sentence of paragraph (1); and

(2) by amending subsection (b)—

(A) by striking out "the appropriate customs officer", "he" (except in paragraph (1)(F)), and "such officer" wherever they appear and inserting "the Customs Service";

(B) by striking out "written" wherever it appears (other than paragraph (1)(F)),

(C) by inserting "or electronically transmit" after "issue" wherever it appears, and

(D) by striking out "his intention" in the first sentence of paragraph (1) and inserting "intent".

SEC. 220. UNLAWFUL UNLADING OR TRANSSHIPMENT.

Section 586 (19 U.S.C. 1586) is amended—

(1) by inserting ", or of a hovering vessel which has received or delivered merchandise while outside the territorial sea," after "from a foreign port or place" wherever it appears; and

(2) by amending subsection (f)—

(A) by striking out "the appropriate customs officer of the" and "the appropriate customs officer within the" and inserting "the Customs Service at the"; and

(B) by striking out "the appropriate customs officer is" and inserting "the Customs Service is".

SEC. 221. PENALTIES FOR FRAUD, GROSS NEGLIGENCE, AND NEGLIGENCE; PRIOR DISCLOSURE.

Section 592 (19 U.S.C. 1592) is amended—

(1) by inserting "or electronically transmitted data or information" after "document" in subsection (a)(1)(A)(i);

(2) by inserting "The mere nonintentional repetition by an electronic system of an initial clerical error does not constitute a pattern of negligent conduct." at the end of subsection (a)(2);

(3) by amending subsection (b)—

(A) by amending the first sentence of paragraph (1)(A)—

(i) by striking out "the appropriate customs officer" and inserting "the Customs Service",

(ii) by striking out "he" and inserting "it", and

(iii) by striking out "his" and inserting "its", and

(B) by amending paragraph (2)—

(i) by striking out "the appropriate customs officer" wherever it appears and inserting "the Customs Service",

(ii) by striking out "such officer" wherever it appears and inserting "the Customs Service", and

(iii) by striking out "he" wherever it appears and inserting "it";

(4) by amending subsection (c)(4)—

(A) by striking out "the appropriate customs officer" wherever it appears and inserting "the Customs Service",

(B) by striking out "his" wherever it appears and inserting "its", and

(C) by inserting after the last sentence the following: "For purposes of this section, a formal investigation of a violation is considered to be commenced with regard to the disclosing party and the disclosed information on the date recorded in writing by the Customs Service as the date on which facts and circumstances were discovered or information was received which caused the Customs Service to believe that a possibility of a violation of subsection (a) existed."; and

(5) by amending subsection (d)—

(A) by striking out "the appropriate customs officer" and inserting "the Customs Service",

(B) by striking out "duties" wherever it appears and inserting "duties, taxes, or fees"; and

(C) by inserting ", TAXES OR FEES" after "DUTIES" in the sideheading.

SEC. 222. PENALTIES FOR FALSE DRAWBACK CLAIMS.

(a) AMENDMENT.—Part V of title IV is amended by inserting after section 593 the following new section:

"SEC. 593A. PENALTIES FOR FALSE DRAWBACK CLAIMS.

"(a) PROHIBITION.—

"(1) GENERAL RULE.—No person, by fraud, or negligence—

"(A) may seek, induce or affect, or attempt to seek, induce, or affect, the payment or credit to that person or others of any drawback claim by means of—

"(i) any document, written or oral statement, or electronically transmitted data or information, or act which is material and false, or

"(ii) any omission which is material; or

"(B) may aid or abet any other person to violate subparagraph (A).

"(2) EXCEPTION.—Clerical errors or mistakes of fact are not violations of paragraph (1) unless they are part of a pattern of negligent conduct. The mere nonintentional repetition by an electronic system of an initial clerical error does not constitute a pattern of negligent conduct.

"(b) PROCEDURES.—

"(1) PREPENALTY NOTICE.—

"(A) IN GENERAL.—If the Customs Service has reasonable cause to believe that there has been a violation of subsection (a) and determines that further proceedings are warranted, the Customs Service shall issue to the person concerned a written notice of intent to issue a claim for a monetary penalty. Such notice shall—

"(i) identify the drawback claim;

"(ii) set forth the details relating to the seeking, inducing, or affecting, or the attempted seeking, inducing or affecting, or the aiding or procuring of, the drawback claim;

"(iii) specify all laws and regulations allegedly violated;

"(iv) disclose all the material facts which establish the alleged violation;

"(v) state whether the alleged violation occurred as a result of fraud or negligence;

"(vi) state the estimated actual or potential loss of revenue due to the drawback claim, and, taking into account all circumstances, the amount of the proposed monetary penalty; and

"(vii) inform such person that he shall have a reasonable opportunity to make representations, both oral and written, as to why a claim for a monetary penalty should not be issued in the amount stated.

"(B) EXCEPTIONS.—The Customs Service may not issue a prepenalty notice if the amount of the penalty in the penalty claim issued under paragraph (2) is $1,000 or less. In such cases, the Customs Service may proceed directly with a penalty claim.

"(C) PRIOR APPROVAL.—No prepenalty notice in which the alleged violation occurred as a result of fraud shall be issued without the prior approval of Customs Headquarters.

"(2) PENALTY CLAIM.—After considering representations, if any, made by the person concerned pursuant to the notice issued under paragraph (1), the Customs Service shall determine whether any violation of subsection (a), as alleged in the notice, has occurred. If the Customs Service determines that there was no violation, the Customs Service shall promptly issue a written statement of the determination to the person to whom the notice was sent. If the Customs Service determines that there was a violation, Customs shall issue a written penalty claim to such person. The written penalty claim shall specify all changes in the information provided under clauses (i) through (vii) of paragraph (1)(A). Such person shall have a reasonable opportunity under section 618 to make representations, both oral and written, seeking remission or mitigation of the monetary penalty. At the conclusion of any proceeding under section 618, the Customs Service shall provide to the person concerned a written statement which sets forth the final determination, and the findings of fact and conclusions of law on which such determination is based.

"(c) MAXIMUM PENALTIES.—

"(1) FRAUD.—A fraudulent violation of subsection (a) of this section is punishable by a civil penalty in an amount not to exceed 3 times the actual or potential loss of revenue.

"(2) NEGLIGENCE.—

"(A) IN GENERAL.—A negligent violation of subsection (a) is punishable by a civil penalty in an amount not to exceed 20 percent of the actual or potential loss of revenue for the 1st violation.

"(B) REPETITIVE VIOLATIONS.—If Customs Service determines that a repeat negligent violation occurs relating to the same issue, the penalty amount for the 2d violation shall be in amount not to exceed 50 percent of the total actual or potential loss of revenue. The penalty amount for each succeeding repetitive negligent violation shall be in an amount not to exceed the actual or potential loss of revenue. If the same party commits a nonrepetitive violation, that violation shall be subject to a penalty not to exceed 20 percent of the actual or potential loss of revenue.

"(3) PRIOR DISCLOSURE.—If the person concerned discloses the circumstances of a violation of subsection (a) before or without knowledge of the commencement of a formal investigation of such violation, any monetary penalty to be assessed under subsection (c) shall not exceed an amount equal to the actual or potential loss of revenue of which the United States is or may be deprived if the violation resulted from fraud; or interest if the violation resulted from negligence (computed from the date on which drawback claim was paid at the prevailing rate of interest applied under section 6621 of title 26, United States Code) on the amount of actual loss of revenue of which the United States is or may be deprived to the date on which the overpayment was tendered, so long as any such amount is tendered at the time of disclosure or within 30 days thereafter or such longer period as the Customs Service may provide, after notice by the Customs Service of its calculation of such overpaid amount. The person asserting lack of knowledge of the commencement of a formal investigation has the burden of proof in establishing such lack of knowledge.

"(4) COMMENCEMENT OF INVESTIGATION.—For purposes of this section, a formal investigation of a violation is considered to be commenced with regard to the disclosing party and the disclosed information on the date recorded in writing by the Customs Service as the date on which facts and circumstances were discovered or information was received which caused the Customs Service to believe that a possibility of a violation of subsection (a) existed.

"(5) EXCLUSIVITY.—Penalty claims under this section shall be the exclusive civil remedy for any drawback related violation of subsection (a).

"(d) DEPRIVATION OF LAWFUL REVENUE.—Notwithstanding section 514, if the United States has been deprived of lawful duties and taxes resulting from a violation of subsection (a), the Customs Service shall require that such drawback claim be restored whether or not a monetary penalty is assessed.

"(e) DRAWBACK COMPLIANCE PROGRAM.—

"(1) IN GENERAL.—After consultation with the drawback trade community, the Customs Service shall establish a drawback compliance program which claimants and other parties in interest may participate in after being certified by the Customs Service under paragraph (2). Participation in the drawback compliance program is voluntary.

"(2) CERTIFICATION.—A party may be certified as a participant in the drawback compliance program after meeting the general requirements established under the program or after negotiating an alternative program suited to the needs of the party and the Customs Service. Certification requirements shall take into account the size and nature of the party's drawback program and the volume of claims. In order to be certified, the participant must be able to demonstrate that it—

"(A) understands the legal requirements for filing claims, including the nature of the records required to be maintained and produced and the time periods involved;

"(B) has in place procedures to explain the Customs Service requirements to those employees that are involved in the preparation of claims, and the maintenance and production of required records;

"(C) has in place procedures regarding the preparation of claims and maintenance of required records, and the production of such records to the Customs Service;

"(D) has designated a dependable individual or individuals to be responsible for compliance under the program and whose duties include maintaining familiarity with the drawback requirements of the Customs Service;

"(E) has a record maintenance procedure approved by the Customs Service for original records, or, if approved by the Customs Service, for alternate records or recordkeeping formats other than the original records; and

"(F) has procedures for notifying the Customs Service of variances to, and violations of, the requirements of the drawback compliance program or any negotiated alternative programs, and for taking corrective action when notified by the Customs Service for violations or problems regarding such program.

"(f) ALTERNATIVES TO PENALTIES.—

"(1) IN GENERAL.—When a party that—

"(A) has been certified as a participant in the drawback compliance program under subsection (e); and

"(B) is generally in compliance with the appropriate procedures and requirements of the program;

commits a violation of subsection (a), the Customs Service, shall, in the absence of fraud or repeated violations, and in lieu of a monetary penalty, issue a written notice of the violation to the party. Repeated violations by a party may result in the issuance of penalties and removal of certification under the program until corrective action, satisfactory to the Customs Service, is taken.

"(2) CONTENTS OF NOTICE.—A notice of violation issued under paragraph (1) shall—

"(A) state that the party has violated subsection (a);

"(B) explain the nature of the violation; and

"(C) warn the party that future violations of subsection (a) may result in the imposition of monetary penalties.

"(3) RESPONSE TO NOTICE.—Within a reasonable time after receiving written notice under paragraph (1), the party shall notify the Customs Service of the steps it has taken to prevent a recurrence of the violation.

"(g) REPETITIVE VIOLATIONS.—

"(1) A party who has been issued a written notice under subsection (f)(1) and subsequently commits a repeat negligent violation involving the same issue is subject to the following monetary penalties:

"(A) 2d VIOLATION.—An amount not to exceed 20 percent of the loss of revenue.

"(B) 3rd VIOLATION.—An amount not to exceed 50 percent of the loss of revenue.

"(C) 4th AND SUBSEQUENT VIOLATIONS.—An amount not to exceed 100 percent of the loss of revenue.

"(2) If a party that has been certified as a participant in the drawback compliance program under subsection (e) commits an alleged violation which was not repetitive, the party shall be issued a 'warning letter' and then be subject to the same maximum penalty amounts stated in paragraph (1).

"(h) REGULATION.—The Secretary shall promulgate regulations and guidelines to implement this section. Such regulations shall specify that a 3-year timeframe shall constitute the maximum period for which a single repetitive violation can be counted.

"(i) COURT OF INTERNATIONAL TRADE PROCEEDINGS.—Notwithstanding any other provision of law, in any proceeding commenced by the United States in the Court of International Trade for the recovery of any monetary penalty claimed under this section—

"(1) all issues, including the amount of the penalty, shall be tried de novo;

"(2) if the monetary penalty is based on fraud, the United States shall have the burden of proof to establish the alleged violation by clear and convincing evidence;

"(3) if the monetary penalty is based on negligence, the United States shall have the burden of proof to establish the act or omission constituting the violation, and the alleged violator shall have the burden of providing evidence that the act or omission did not occur as a result of negligence.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to drawback claims filed on and after the nationwide operational implementation of an automated drawback selectivity program by the Customs Service. The Customs Service shall publish notice of this date in the Customs Bulletin.

SEC. 223. INTERPRETIVE RULINGS AND DECISIONS; PUBLIC INFORMATION.

Section 625 (19 U.S.C. 1625) is amended to read as follows:

"SEC. 625. INTERPRETIVE RULINGS AND DECISIONS; PUBLIC INFORMATION.

"(a) PUBLICATION.—Within 90 days after the date of issuance of any interpretive ruling (including any ruling letter, or internal advice memorandum) or protest review decision under this chapter with respect to any customs transaction, the Secretary shall have such ruling or decision published in the Customs Bulletin or shall otherwise make such ruling or decision available for public inspection.

"(b) APPEALS.—A person may appeal an adverse interpretive ruling and any interpretation of any regulation prescribed to implement such ruling to a higher level of authority within the Customs Service for de novo review. Upon a reasonable showing of business necessity, any such appeal shall be considered and decided no later than 60 days following the date on which the appeal is filed. The Secretary shall issue regulations to implement this subsection.

"(c) MODIFICATION AND REVOCATION.—A proposed interpretive ruling or decision which would—

"(1) modify (other than to correct a clerical error) or revoke a prior interpretive ruling or decision which has been in effect for at least 60 days; or

"(2) have the effect of modifying the treatment previously accorded by the Customs Service to substantially identical transactions;

shall be published in the Customs Bulletin. The Secretary shall give interested parties an opportunity to submit, during not less than the 30-day period after the date of such publication, comments on the correctness of the proposed ruling or decision. After consideration of any comments received, the Secretary shall publish a final ruling or decision in the Customs Bulletin within 30 days after the closing of the comment period. The final ruling or decision shall become effective 60 days after the date of its publication.

"(d) PUBLICATION OF CUSTOMS DECISIONS THAT LIMIT COURT DECISIONS.—A decision that proposes to limit the application of a court decision shall be published in the Customs Bulletin together with notice of opportunity for public comment thereon prior to a final decision.

"(e) PUBLIC INFORMATION.—The Secretary may make available in writing or through electronic media, in an efficient, comprehensive and timely manner, all information, including directives, memoranda, electronic messages and telexes which contain instructions, requirements, methods or advice necessary for importers and exporters to comply with the Customs laws and regulations. All information which may be made available pursuant to this subsection shall be subject to any exemption from disclosure provided by section 552 of title 5, United States Code.".

SEC. 224. SEIZURE AUTHORITY.

Section 596(c) (19 U.S.C. 1595a(c)) is amended to read as follows:

"(c) Merchandise which is introduced or attempted to be introduced into the United States contrary to law shall be treated as follows:

"(1) The merchandise shall be seized and forfeited if it—

"(A) is stolen, smuggled, or clandestinely imported or introduced;

"(B) is a controlled substance, as defined in the Controlled Substances Act (21 U.S.C. 801 et seq.), and is not imported in accordance with applicable law; or

"(C) is a contraband article, as defined in section (1) of the Act of August 9, 1939 (49 U.S.C. App. 781).

"(2) The merchandise may be seized and forfeited if—

"(A) its importation or entry is subject to any restriction or prohibition which is imposed by law relating to health, safety, or conservation and the merchandise is not in compliance with the applicable rule, regulation, or statute;

"(B) its importation or entry requires a license, permit or other authorization of an agency of the United States Government and the merchandise is not accompanied by such license, permit, or authorization;

"(C) it is merchandise or packaging in which copyright, trademark, or trade name protection violations are involved (including, but not limited to, violations of section 42, 43, or 45 of the Act of July 5, 1946 (Public Law 95–410; 15 U.S.C. 1124, 1125, or 1127), section 506 or 509 of title 17, United States Code, or section 2318 or 2320 of title 18, United States Code);

"(D) it is trade dress merchandise involved in the violation of a court order citing section 43 of such Act of July 5, 1946 (15 U.S.C. 1125);

"(E) it is merchandise which is marked intentionally in violation of section 304; or

"(F) it is merchandise for which the importer has received written notices that previous importations of identical merchandise from the same supplier was found to have been marked in violation of section 304.

"(3) If the importation or entry of the merchandise is subject to quantitative restrictions requiring a visa, permit, license or other similar document, or stamp from the United States Government or from a foreign government or issuing authority pursuant to a bilateral or multilateral agreement, the merchandise shall be subject to detention in accordance with section 499 unless the appropriate visa, license, permit, or similar document or stamp is presented to the Customs Service; but if the visa, permit, license or similar document or stamp which is presented in connection with the importation or entry of the merchandise is counterfeit, the merchandise may be seized and forfeited.

"(4) If the merchandise is imported or introduced contrary to a provision of law which governs the classification or value of merchandise and there are no issues as to the admissibility of the merchandise into the United States, it shall not be seized except in accordance with section 592.

"(5) In any case where the seizure and forfeiture of merchandise are required or authorized by this section, the Secretary may—

"(A) remit the forfeiture under section 618, or

"(B) permit the exportation of the merchandise, unless its release would adversely affect health, safety, or conservation or be in contravention of a bilateral or multilateral agreement or treaty.".

Subtitle B—National Customs Automation Program

SEC. 231. NATIONAL CUSTOMS AUTOMATION PROGRAM.

Part I of title IV is amended—

(1) by striking out

"PART I—DEFINITIONS

and inserting

"PART I—DEFINITIONS AND NATIONAL CUSTOMS AUTOMATION PROGRAM

"Subpart A—Definitions"; and

(2) by inserting after section 402 the following:

"Subpart B—National Customs Automation Program

"SEC. 411. NATIONAL CUSTOMS AUTOMATION PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish the National Customs Automation Program (hereinafter in this subpart referred to as the 'Program') which shall be an automated and electronic system for processing commercial importations and shall include the following existing and planned components:

"(1) Existing components:

"(A) The electronic entry of merchandise.

"(B) The electronic entry summary of required information.

"(C) The electronic transmission of invoice information.

"(D) The electronic transmission of manifest information.

"(E) Electronic payments of duties, fees, and taxes.

"(F) The electronic status of liquidation and reliquidation.

"(G) The electronic selection of high risk entries for examination (cargo selectivity and entry summary selectivity).

"(2) Planned components:

"(A) The electronic filing and status of protests.

"(B) The electronic filing (including remote filing under section 414) of entry information with the Customs Service at any location.

"(C) The electronic filing of import activity summary statements and reconciliation.

"(D) The electronic filing of bonds.

"(E) The electronic penalty process.

"(F) The electronic filing of drawback claims, records, or entries.

"(G) Any other component of the Program initiated by the Customs Service after the date of the enactment of this section.

"(b) PARTICIPATION IN PROGRAM.—The Secretary shall by regulation prescribe the eligibility criteria for participation in the Program. Participation in the Program is voluntary.

"SEC. 412. PROGRAM GOALS.

"The goals of the Program are to ensure that all regulations and rulings that are administered or enforced by the Customs Service are administered and enforced in a manner that—

"(1) is uniform and consistent;

"(2) is as minimally intrusive upon the normal flow of business activity as practicable; and

"(3) improves compliance.

"SEC. 413. IMPLEMENTATION AND EVALUATION OF PROGRAM.

"(a) OVERALL PROGRAM PLAN.—

"(1) IN GENERAL.—Before the 180th day after the date of the enactment of this Act, the Secretary shall develop and transmit to the Committees an overall plan for the Program. The overall Program plan shall set forth—

"(A) a general description of the ultimate configuration of the Program;

"(B) a description of each of the existing components of the Program listed in section 411(a)(1); and

"(C) estimates regarding the stages on which planned components of the Program listed in section 411(a)(2) will be brought on-line.

"(2) ADDITIONAL INFORMATION.—In addition to the information required under paragraphs (1)(A), (B), and (C), the overall Program plan shall include a statement regarding—

"(A) the extent to which the existing components of the Program currently meet, and the planned components will meet, the Program goals set forth in section 412; and

"(B) the effects that the existing components are currently having, and the effects that the planned components will likely have, on Customs Service occupations, operations, processes, and systems.

"(b) IMPLEMENTATION PLAN, TESTING, AND EVALUATION.—

"(1) IMPLEMENTATION PLAN.—For each of the planned components of the Program listed in subsection (a)(2), the Secretary shall—

"(A) develop an implementation plan in consultation with the trade community, including importers, brokers, shippers, and other affected parties;

"(B) test the component in order to assess its viability;

"(C) evaluate the component in order to assess its contribution toward achieving the program goals; and

"(D) transmit to the Committees the implementation plan, the testing results, and an evaluation report.

"(2) IMPLEMENTATION.—The Secretary may implement on a permanent basis any Program component referred to in paragraph (1) on or after the 60th day after the date on which paragraph (1)(D) is complied with.

"(3) EVALUATION AND REPORT.—The Secretary shall—

"(A) develop a user satisfaction survey of parties participating in the Program;

"(B) evaluate the results of the user satisfaction survey on a biennial basis (fiscal years) and transmit a report to the Committees on the evaluation by no later than the 90th day after the close of each 2nd fiscal year; and

"(C) with respect to the existing Program component listed in section 411(a)(1)(F) transmit to the Committees—

"(i) a written evaluation of such component before the 180th day after the date of the enactment of this section and before the implementation of the planned Program components listed in section 411(a)(2) (B) and (C), and

"(ii) a report on such component for each of the 3 full fiscal years occurring after the date of the enactment of this section, which report shall be transmitted not later than the 90th day after the close of each such year.

"(c) COMMITTEES.—For purposes of this section, the term 'Committees' means the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

"SEC. 414. REMOTE LOCATION FILING.

"(a) CORE ENTRY INFORMATION.—

"(1) IN GENERAL.—A Program participant may file an entry of merchandise with the Customs Service from a location other than the district designated in the entry for examination (hereinafter in this section referred to as a 'remote location') if—

"(A) the Customs Service is satisfied that the participant has the capabilities referred to in paragraph (2) regarding such method of filing; and

"(B) the participant elects to file from the remote location.

"(2) REQUIREMENTS.—In order to qualify for filing from a remote location, a Program participant must have the capability to provide, on an entry-by-entry basis, for the following:

"(A) The electronic entry of merchandise.

"(B) The electronic entry summary of required information.

"(C) The electronic transmission of invoice information (when required by the Customs Service).

"(D) The electronic payment of duties, fees, and taxes.

"(E) Such other electronic capabilities within the existing or planned components of the Program as the Secretary shall by regulation require.

"(3) ALTERNATIVE FILING.—Any Program participant that is eligible under paragraph (1) to file entry information electronically from a remote location but chooses not to do so in the case of any entry must file any paper documentation for the entry at the designated location referred to in subsection (d).

"(b) ADDITIONAL ENTRY INFORMATION.—

"(1) IN GENERAL.—A Program participant that is eligible under subsection (a) to file entry information from a remote location may, if the Customs Service is satisfied that the participant meets the requirements under paragraph (2), also electronically file from the remote location additional information that is required by the Customs Service to be presented before, and including, the acceptance by the Customs Service of entry summary information for an entry.

"(2) REQUIREMENTS.—The Secretary shall publish, and periodically update, a list of those capabilities within the existing and planned components of the Program that a Program participant must have for purposes of this subsection.

"(3) FILING OF ADDITIONAL INFORMATION.—

"(A) IF INFORMATION ELECTRONICALLY ACCEPTABLE.—A Program participant that is eligible under paragraph (1) to file additional information from a remote location shall electronically file all such information that the Customs Service can accept electronically.

"(B) ALTERNATIVE FILING.—

"(i) IF INFORMATION NOT ELECTRONICALLY ACCEPTABLE.—If the Customs Service cannot accept additional information electronically, the Program participant shall file the paper documentation with respect to the information at the appropriate filing location. For purposes of this clause, the 'appropriate location' is—

"(I) before January 1, 1997, the designated location referred to in subsection (d); and

"(II) after December 31, 1996, a remote location designated by the Customs Service or such designated location.

"(ii) OTHER.—A Program participant that is eligible under paragraph (1) to file additional information electronically from a remote location but chooses not to do so must file the paper documentation with respect to the information at the designated location referred to in subsection (d).

"(c) POST-ENTRY SUMMARY INFORMATION.—A Program participant who is eligible to file electronically entry information under subsection (a) and additional information under subsection (b) from a remote location may file at any remote location designated by the Customs Service any information required by the Customs Service after entry summary.

"(d) DEFINITION OF DESIGNATED LOCATION.—For purposes of this section, the term 'designated location' means a customs office located in the customs district designated by the entry filer for purposes of customs examination of the merchandise.".

SEC. 232. DRAWBACK AND REFUNDS.

(a) AMENDMENTS.—Section 313 (19 U.S.C. 1313) is amended as follows:

(1) Subsection (a) is amended—

(A) by inserting "or destruction under customs supervision" after "Upon the exportation";

(B) by inserting "provided that those articles have not been used prior to such exportation or destruction," after "manufactured or produced in the United States with the use of imported merchandise,";

(C) by inserting "or destruction" after "refunded upon the exportation"; and

(D) by striking out "wheat imported after ninety days after the date of the enactment of this Act" and inserting "imported wheat".

(2) Subsection (b) is amended—

(A) by striking out "duty-free or domestic merchandise" and inserting "any other merchandise (whether imported or domestic)";

(B) by inserting ", or destruction under customs supervision," after "there shall be allowed upon the exportation";

(C) by inserting "or destroyed" after "notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported";

(D) by inserting ", but only if those articles have not been used prior to such exportation or destruction" after "an amount of drawback equal to that which would have been allowable had the merchandise used therein been imported"; and

(E) by inserting "or destruction under customs supervision" after "but the total amount of drawback allowed upon the exportation".

(3) Subsection (c) is amended to read as follows:

"(c) MERCHANDISE NOT CONFORMING TO SAMPLE OR SPECIFICATIONS.—Upon the exportation, or destruction under the supervision of the Customs Service, of merchandise—

"(1) not conforming to sample or specifications, shipped without the consent of the consignee, or determined to be defective as of the time of importation;

"(2) upon which the duties have been paid;

"(3) which has been entered or withdrawn for consumption; and

"(4) which, within 3 years after release from the custody of the Customs Service, has been returned to the custody of the Customs Service for exportation or destruction under the supervision of the Customs Service;

the full amount of the duties paid upon such merchandise, less 1 percent, shall be refunded as drawback.".

(4) Subsection (j) is amended to read as follows:

"(j) UNUSED MERCHANDISE DRAWBACK.—

"(1) If imported merchandise, on which was paid any duty, tax, or fee imposed under Federal law because of its importation—

"(A) is, before the close of the 3-year period beginning on the date of importation—

"(i) exported, or

"(ii) destroyed under customs supervision; and

"(B) is not used within the United States before such exportation or destruction;

then upon such exportation or destruction 99 percent of the amount of each duty, tax, or fee so paid shall be refunded as drawback.

"(2) If there is, with respect to imported merchandise on which was paid any duty, tax, or fee imposed under Federal law because of its importation, any other merchandise (whether imported or domestic), that—

"(A) is commercially interchangeable with such imported merchandise;

"(B) is, before the close of the 3-year period beginning on the date of importation of the imported merchandise, either exported or destroyed under customs supervision; and

"(C) before such exportation or destruction—

"(i) is not used within the United States, and

"(ii) is in the possession of, including ownership while in bailment, in leased facilities, in transit to, or in any other manner under the operational control of, the party claiming drawback under this paragraph (if that party paid the duty tax, or fee on the imported merchandise (established by means of either an entry summary or a certificate of delivery));

then upon the exportation or destruction of such other merchandise the amount of each such duty, tax, and fee paid regarding the imported merchandise shall be refunded as drawback, but in no case may the total drawback on the imported merchandise, whether available under this paragraph or any other provision of law or any combination thereof, exceed 99 percent of that duty, tax, or fee.

"(3) The performing of any operation or combination of operations (including, but not lim-

ited to, testing, cleaning, repacking, inspecting, sorting, refurbishing, freezing, blending, repairing, reworking, cutting, slitting, adjusting, replacing components, relabeling, disassembling, and unpacking), not amounting to manufacture or production for drawback purposes under the preceding provisions of this section on—

"(A) the imported merchandise itself in cases to which paragraph (1) applies, or

"(B) the commercially interchangeable merchandise in cases to which paragraph (2) applies,

shall not be treated as a use of that merchandise for purposes of applying paragraph (1)(B) or (2)(C).".

(5) Subsection (l) is amended by striking out "the fixing of a time limit within which drawback entries or entries for refund under any of the provisions of this section or section 309(b) shall be filed and completed," and inserting "the authority for the electronic submission of drawback entries".

(6) The following new subsections are inserted after subsection (p):

"(q) PACKAGING MATERIAL.—Packaging material, when used on or for articles or merchandise exported or destroyed under subsection (a), (b), (c), or (j), shall be eligible under such subsection for refund, as drawback, of 99 percent of any duty, tax, or fee imposed under Federal law on the importation of such material.

"(r) FILING DRAWBACK CLAIMS.—

"(1) A drawback entry and all documents necessary to complete a drawback claim, including those issued by one customs officer to another, shall be filed or applied for, as applicable, within 3 years after the date of exportation or destruction of the articles on which drawback is claimed, except that any landing certificate required by regulation shall be filed within the time limit prescribed in such regulation. Claims not completed within the 3-year period shall be considered abandoned. No extension will be granted unless it is established that a customs officer was responsible for the untimely filing.

"(2) A drawback entry for refund filed pursuant to any subsection of this section shall be deemed filed pursuant to any other subsection of this section should it be determined that drawback is not allowable under the entry as originally filed but is allowable under such other subsection.

"(s) DESIGNATION OF MERCHANDISE USED OR POSSESSED BY PREDECESSOR.—

"(1) For purposes of subsection (b), a drawback successor may designate imported merchandise used by the predecessor before the date of succession as the basis for drawback on articles manufactured by the drawback successor after the date of succession.

"(2) For purposes of subsection (j)(2), a drawback successor may designate imported merchandise upon which the predecessor, before the date of succession, paid the duty, tax, or fee related to the importation of the merchandise as the basis for drawback on merchandise possessed by the drawback successor after the date of succession.

"(3) For purposes of this subsection, the term 'drawback successor' means an entity to which another entity (in this subsection referred to as the 'predecessor') has transferred by written agreement, merger, or corporate resolution all or substantially all of the rights, privileges, immunities, powers, duties, and liabilities of the predecessor, or all or substantially all of the assets and other business interests of a division, plant, or other business unit of such predecessor, but only if in such transfer the value of the transferred realty and personalty exceeds the value of all transferred intangibles.

"(4) No drawback shall be paid under this subsection until either the predecessor or the drawback successor (who shall also certify that it has the predecessor's records) certifies that—

"(A) the transferred merchandise was not and will not be claimed by the predecessor, and

"(B) the predecessor did not and will not issue any certificate to any other person that would enable that person to claim drawback.

"(t) DRAWBACK CERTIFICATES.—Any person who issues a certificate which would enable another person to claim drawback shall be subject to the recordkeeping provisions of this chapter, with the retention period beginning on the date that such certificate is issued.

"(u) ELIGIBILITY OF ENTERED OR WITHDRAWN MERCHANDISE.—Imported merchandise that has not been regularly entered or withdrawn for consumption shall not satisfy any requirement for use, exportation, or destruction under this section.

"(v) MULTIPLE DRAWBACK CLAIMS.—Merchandise that is exported or destroyed to satisfy any claim for drawback shall not be the basis of any other claim for drawback; except that appropriate credit and deductions for claims covering components or ingredients of such merchandise shall be made in computing drawback payments.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to—

(1) any drawback entry made on or after the 15th day after the date of the enactment of this Act; and

(2) any drawback entry made before such 15th day if the liquidation of the entry is not final as of such 15th day.

SEC. 233. EFFECTIVE DATE OF RATES OF DUTY.

Section 315 (19 U.S.C. 1315) is amended—

(1) by striking out "appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury," in the first sentence of subsection (a) and inserting "Customs Service by written, electronic or such other means as the Secretary by regulation shall prescribe,";

(2) by striking out "customs custody" in the first sentence of subsection (b) and inserting "custody of the Customs Service"; and

(3) by striking out "paragraph 813" in subsection (c) and inserting "chapter 98 of the Harmonized Tariff Schedule of the United States".

SEC. 234. DEFINITIONS.

Section 401 (19 U.S.C. 1401) is amended—

(1) by amending subsection (k) to read as follows:

"(k) The term 'hovering vessel' means—

"(1) any vessel which is found or kept off the coast of the United States within or without the customs waters, if, from the history, conduct, character, or location of the vessel, it is reasonable to believe that such vessel is being used or may be used to introduce or promote or facilitate the introduction or attempted introduction of merchandise into the United States in violation of the laws of the United States; and

"(2) any vessel which has visited a vessel described in paragraph (1)."; and

(2) by inserting at the end thereof the following new subsections:

"(n) The term 'electronic transmission' means the transfer of data or information through an authorized electronic data interchange system consisting of, but not limited to, computer modems and computer networks.

"(o) The term 'electronic entry' means the electronic transmission to the Customs Service of—

"(1) entry information required for the entry of merchandise, and

"(2) entry summary information required for the classification and appraisement of the merchandise, the verification of statistical information, and the determination of compliance with applicable law.

"(p) The term 'electronic data interchange system' means any established mechanism approved by the Commissioner of Customs through which information can be transferred electronically.

"(q) The term 'National Customs Automation Program' means the program established under section 411.

"(r) The term 'import activity summary statement' refers to data or information transmitted electronically to the Customs Service, in accordance with such regulations as the Secretary prescribes, at the end of a specified period of time which enables the Customs Service to assess properly the duties, taxes and fees on merchandise imported during that period, collect accurate statistics and determine whether any other applicable requirement of law (other than a requirement relating to release from customs custody) is met.

"(s) The term 'reconciliation' means an electronic process, initiated at the request of an importer, under which the elements of an entry, other than those elements related to the admissibility of the merchandise, that are undetermined at the time of entry summary are provided to the Customs Service at a later time. A reconciliation is treated as an entry for purposes of liquidation, reliquidation, and protest.".

SEC. 235. MANIFESTS.

Section 431 (19 U.S.C. 1431) is amended—

(1) by amending subsections (a) and (b) to read as follows:

"(a) IN GENERAL.—Every vessel required to make entry under section 434 or obtain clearance under section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91) shall have a manifest that complies with the requirements prescribed under subsection (d).

"(b) PRODUCTION OF MANIFEST.—Any manifest required by the Customs Service shall be signed, produced, delivered or electronically transmitted by the master or person in charge of the vessel, aircraft, or vehicle, or by any other authorized agent of the owner or operator of the vessel, aircraft, or vehicle in accordance with the requirements prescribed under subsection (d). A manifest may be supplemented by bill of lading data supplied by the issuer of such bill. If any irregularity of omission or commission occurs in any way in respect to any manifest or bill of lading data, the owner or operator of the vessel, aircraft or vehicle, or any party responsible for such irregularity, shall be liable for any fine or penalty prescribed by law with respect to such irregularity. The Customs Service may take appropriate action against any of the parties."; and

(2) by inserting after subsection (c) the following new subsection:

"(d) REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall by regulation—

"(A) specify the form for, and the information and data that must be contained in, the manifest required by subsection (a);

"(B) allow, at the option of the individual producing the manifest and subject to paragraph (2), letter and documents shipments to be accounted for by summary manifesting procedures;

"(C) prescribe the manner of production for, and the delivery for electronic transmittal of, the manifest required by subsection (a); and

"(D) prescribe the manner for supplementing manifests with bill of lading data under subsection (b).

"(2) LETTER AND DOCUMENTS SHIPMENTS.—For purposes of paragraph (1)(B)—

"(A) the Customs Service may require with respect to letter and documents shipments—

"(i) that they be segregated by country or origin, and

"(ii) additional examination procedures that are not necessary for individually manifested shipments;

"(B) standard letter envelopes and standard document packs shall be segregated from larger

document shipments for purposes of customs inspections; and

"(C) the term 'letters and documents' means—

"(i) data described in General Headnote 4(c) of the Harmonized Tariff Schedule of the United States,

"(ii) securities and similar evidences of value described in heading 4907 of such Schedule, but not monetary instruments defined pursuant to chapter 53 of title 31, United States Code, and

"(iii) personal correspondence, whether on paper, cards, photographs, tapes, or other media.".

SEC. 236. INVOICE CONTENTS.

Section 481 (19 U.S.C. 1481) is amended—

(1) by amending subsection (a)—

(A) by amending the matter preceding paragraph (1) to read as follows: "IN GENERAL.—All invoices of merchandise to be imported into the United States and any electronic equivalent thereof considered acceptable by the Secretary in regulations prescribed under this section shall set forth, in written, electronic, or such other form as the Secretary shall prescribe, the following:",

(B) by amending paragraph (3) to read as follows:

"(3) A detailed description of the merchandise, including the commercial name by which each item is known, the grade or quality, and the marks, numbers, or symbols under which sold by the seller or manufacturer in the country of exportation, together with the marks and numbers of the packages in which the merchandise is packed;", and

(C) by amending paragraph (10) to read as follows:

"(10) Any other fact that the Secretary may by regulation require as being necessary to a proper appraisement, examination and classification of the merchandise.";

(2) by amending subsection (c) to read as follows:

"(c) IMPORTER PROVISION OF INFORMATION.—Any information required to be set forth on an invoice may alternatively be provided by any of the parties qualifying as an 'importer of record' under section 484(a)(2)(B) by such means, in such form or manner, and within such time as the Secretary shall by regulation prescribe.";

and

(3) by inserting before the period at the end of subsection (d) the following: "and may allow for the submission or electronic transmission of partial invoices, electronic equivalents of invoices, bills, or other documents or parts thereof, required under this section".

SEC. 237. ENTRY OF MERCHANDISE.

Section 484 (19 U.S.C. 1484) is amended to read as follows:

"SEC. 484. ENTRY OF MERCHANDISE.

"(a) REQUIREMENT AND TIME.—

"(1) Except as provided in sections 490, 498, 552, 553, and 336(j), one of the parties qualifying as 'importer of record' under paragraph (2)(B), either in person or by an agent authorized by the party in writing, shall, using reasonable care—

"(A) make entry therefor by filing with Customs Service—

"(i) such documentation or, pursuant to an electronic data interchange system, such information as is necessary to enable the Customs Service to determine whether the merchandise may be released from customs custody, and

"(ii) notification whether an import activity summary statement will be filed; and

"(B) complete the entry by filing with the Customs Service the declared value, classification and rate of duty applicable to the merchandise, and such other documentation or, pursuant to an electronic data interchange system, such other information as is necessary to enable the Customs Service to—

"(i) properly assess duties on the merchandise,

"(ii) collect accurate statistics with respect to the merchandise, and

"(iii) determine whether any other applicable requirement of law (other than a requirement relating to release from customs custody) is met.

"(2)(A) The documentation or information required under paragraph (1) with respect to any imported merchandise shall be filed or transmitted in such manner and within such time periods as the Secretary shall by regulation prescribe. Such regulations shall provide for the filing of import activity summary statements, covering entries made during a calendar month, within such time period as is prescribed in regulations but not to exceed the 20th day following such calendar month.

"(B) When an entry of merchandise is made under this section, the required documentation or information shall be filed or electronically transmitted either by the owner or purchaser of the merchandise or, when appropriately designated by the owner, purchaser, or consignee of the merchandise, a person holding a valid license under section 641. When a consignee declares on entry that he is the owner or purchaser of merchandise the Customs Service may, without liability, accept the declaration. For the purposes of this Act, the importer of record must be one of the parties who is eligible to file the documentation or information required by this section.

"(C) The Secretary, in prescribing regulations to carry out this subsection, shall establish procedures which insure the accuracy and timeliness of import statistics, particularly statistics relevant to the classification and valuation of imports. Corrections of errors in such statistical data shall be transmitted immediately to the Director of the Bureau of the Census, who shall make corrections in the statistics maintained by the Bureau. The Secretary shall also provide, to the maximum extent practicable, for the protection of the revenue, the enforcement of laws governing the importation and exportation of merchandise, the facilitation of the commerce of the United States, and the equal treatment of all importers of record of imported merchandise.

"(b) RECONCILIATION.—A party that electronically transmits an entry summary or import activity summary statement may at the time of filing such summary or statement notify the Customs Service of his intention to file a reconciliation pursuant to such regulations as the Secretary may prescribe. Such reconciliation must be filed by the importer of record within such time period as is prescribed by regulation but no later than 15 months following the filing of the entry summary or import activity summary statement. Before filing a reconciliation, an importer of record shall post bond or other security pursuant to such regulations as the Secretary may prescribe.

"(c) RELEASE OF MERCHANDISE.—The Customs Service may permit the entry and release of merchandise from customs custody in accordance with such regulations as the Secretary may prescribe. No officer of the Customs Service shall be liable to any person with respect to the delivery of merchandise released from customs custody in accordance with such regulations.

"(d) SIGNING AND CONTENTS.—Entries shall be signed by the importer of record, or his agent, unless filed pursuant to an electronic data interchange system. If electronically filed, each transmission of data shall be certified by an importer of record or his agent, one of whom shall be resident in the United States for purposes of receiving service of process, as being true and correct to the best of his knowledge and belief, and such transmission shall be binding in the same manner and to the same extent as a signed document. The entry shall set forth such facts in regard to the importation as the Secretary may require and shall be accompanied by such invoices, bills of lading, certificates, and documents, or their electronically submitted equivalents, as are required by regulation.

"(e) PRODUCTION OF INVOICE.—The Secretary may provide by regulation for the production of an invoice, parts thereof, or the electronic equivalents thereof, in such manner and form, and under such terms and conditions, as the Secretary considers necessary.

"(f) STATISTICAL ENUMERATION.—The Secretary, the Secretary of Commerce, and the United States International Trade Commission shall establish from time to time for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States and exported from the United States, and shall seek, in conjunction with statistical programs for domestic production and programs for achieving international harmonization of trade statistics, to establish the comparability thereof with such enumeration of articles. All import entries and export declarations shall include or have attached thereto an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and exported and the value of the total quantity of each kind of article.

"(g) STATEMENT OF COST OF PRODUCTION.—Under such regulations as the Secretary may prescribe, the Customs Service may require a verified statement from the manufacturer or producer showing the cost of producing the imported merchandise, if the Customs Service considers such verification necessary for the appraisement of such merchandise.

"(h) ADMISSIBILITY OF DATA ELECTRONICALLY TRANSMITTED.—Any entry or other information transmitted by means of an authorized electronic data interchange system shall be admissible in any and all administrative and judicial proceedings as evidence of such entry or information.".

SEC. 238. APPRAISEMENT AND OTHER PROCEDURES.

Section 500 (19 U.S.C. 1500) is amended—

(1) by striking out "The appropriate customs officer" and inserting "The Customs Service";

(2) by striking out "appraise" in subsection (a) and inserting "fix the final appraisement of";

(3) by striking out "ascertain the" in subsection (b) and inserting "fix the final";

(4) by amending subsection (c)—

(A) by inserting "final" after "fix the", and

(B) by inserting ", taxes, and fees" after "duties" wherever it appears; and

(5) by amending subsections (d) and (e) to read as follows:

"(d) liquidate the entry and reconciliation, if any, of such merchandise; and

"(e) give or transmit, pursuant to an electronic data interchange system, notice of such liquidation to the importer, his consignee, or agent in such form and manner as the Secretary shall by regulation prescribe.".

SEC. 239. VOLUNTARY RELIQUIDATIONS.

Section 501 (19 U.S.C. 1501) is amended—

(1) by striking out "the appropriate customs officer on his own initiative" and inserting "the Customs Service";

(2) by inserting "or transmitted" after "given" wherever it appears; and

(3) by amending the section heading to read as follows:

"SEC. 501. VOLUNTARY RELIQUIDATIONS BY THE CUSTOMS SERVICE.".

SEC. 240. APPRAISEMENT REGULATIONS.

Section 502 (19 U.S.C. 1502) is amended—

(1) by amending subsection (a)—

(A) by inserting "(including regulations establishing procedures for the issuance of binding

rulings prior to the entry of the merchandise concerned)" after "law",

(B) by striking out "ports of entry, and" inserting "ports of entry. The Secretary",

(C) by inserting "or classifying" after "appraising" wherever it appears, and

(D) by striking out "such port" and inserting "any port, and may direct any customs officer at any port to review entries of merchandise filed at any other port"; and

(2) by striking out subsection (b) and redesignating subsection (c) as subsection (b).

SEC. 241. LIMITATION ON LIQUIDATION.

(a) AMENDMENTS.—Section 504 (19 U.S.C. 1504) is amended—

(1) by amending subsection (a)—

(A) by striking out "Except as provided in subsection (b)," and inserting "Unless an entry is extended under subsection (b) or suspended as required by statute or court order,",

(B) by striking out "or" at the end of paragraph (2),

(C) by inserting "or" after the semicolon at the end of paragraph (3), and

(D) by inserting the following new paragraph after paragraph (3):

"(4) if a reconciliation is filed, or should have been filed, the date of the filing under section 484 or the date the reconciliation should have been filed;"; and

(2) by amending subsections (b), (c), and (d) to read as follows:

"(b) EXTENSION.—The Secretary may extend the period in which to liquidate an entry if—

"(1) the information needed for the proper appraisement or classification of the merchandise, or for insuring compliance with applicable law, is not available to the Customs Service; or

"(2) the importer of record requests such extension and shows good cause therefor.

The Secretary shall give notice of an extension under this subsection to the importer of record and the surety of such importer of record. Notice shall be in such form and manner (which may include electronic transmittal) as the Secretary shall by regulation prescribe. Any entry the liquidation of which is extended under this subsection shall be treated as having been liquidated at the rate of duty, value, quantity, and amount of duty asserted at the time of entry by the importer of record at the expiration of 4 years from the applicable date specified in subsection (a).

"(c) NOTICE OF SUSPENSION.—If the liquidation of any entry is suspended, the Secretary shall by regulation require that notice of the suspension be provided, in such manner as the Secretary considers appropriate, to the importer of record and to any authorized agent and surety of such importer of record.

"(d) REMOVAL OF SUSPENSION.—When a suspension required by statute or court order is removed, the Customs Service shall liquidate the entry within 6 months after receiving notice of the removal from the Department of Commerce, other agency, or a court with jurisdiction over the entry. Any entry not liquidated by the Customs Service within 6 months after receiving such notice shall be treated as having been liquidated at the rate of duty, value, quantity, and amount of duty asserted at the time of entry by the importer of record.".

SEC. 242. PAYMENT OF DUTIES AND FEES.

(a) AMENDMENT TO SECTION 505.—Section 505 (U.S.C. 1505) is amended to read as follows:

"SEC. 505. PAYMENT OF DUTIES AND FEES.

"(a) DEPOSIT OF ESTIMATED DUTIES, FEES, AND INTEREST.—Unless merchandise is entered for warehouse or transportation, or under bond, the importer of record shall deposit with the Customs Service at the time of making entry, or at such later time as the Secretary may prescribe by regulation, the amount of duties and fees estimated to be payable thereon. Such regulations may provide that estimated duties and fees shall be deposited before or at the time an import activity summary statement is filed. If an import activity summary statement is filed, the estimated duties and fees shall be deposited together with interest, at a rate determined by the Secretary, accruing from the first date of the month the statement is required to be filed until the date such statement is actually filed.

"(b) COLLECTION OR REFUND OF DUTIES, FEES, AND INTEREST DUE UPON LIQUIDATION OR RELIQUIDATION.—The Customs Service shall collect any increased or additional duties and fees due, together with interest thereon, or refund any excess moneys deposited, together with interest thereon, as determined on a liquidation or reliquidation. Duties, fees, and interest determined to be due upon liquidation or reliquidation are due 30 days after issuance of the bill for such payment. Refunds of excess moneys deposited, together with interest thereon, shall be paid within 30 days of liquidation or reliquidation.

"(c) INTEREST.—Interest assessed due to an underpayment of duties, fees, or interest shall accrue, at a rate determined by the Secretary, from the date the importer of record is required to deposit estimated duties, fees, and interest to the date of liquidation or reliquidation of the applicable entry or reconciliation. Interest on excess moneys deposited shall accrue, at a rate determined by the Secretary, from the date the importer of record deposits estimated duties, fees, and interest to the date of liquidation or reliquidation of the applicable entry or reconciliation.

"(d) DELINQUENCY.—If duties, fees, and interest determined to be due or refunded are not paid in full within the 30-day period specified in subsection (b), any unpaid balance shall be considered delinquent and bear interest by 30-day periods, at a rate determined by the Secretary, from the date of liquidation or reliquidation until the full balance is paid. No interest shall accrue during the 30-day period in which payment is actually made.".

(b) CONFORMING AMENDMENT.—Subsection (d) of section 520 (19 U.S.C. 1520(d)) is repealed.

SEC. 243. ABANDONMENT AND DAMAGE.

Section 506 (19 U.S.C. 1506) is amended—

(1) by striking out "the appropriate customs officer" and "such customs officer" wherever they appear and inserting "the Customs Service";

(2) by amending paragraph (1)—

(A) by striking out "not sent to the appraiser's stores for" and inserting "released without an",

(B) by striking out "of the examination packages or quantities of merchandise",

(C) by striking out "the appraiser's stores" and inserting "the Customs Service", and

(D) by inserting "or entry" after "invoice"; and

(3) by amending paragraph (2)—

(A) by inserting ", electronically or otherwise," after "files", and

(B) by striking out "written".

SEC. 244. CUSTOMS OFFICER'S IMMUNITY.

Section 513 (19 U.S.C. 1513) is amended to read as follows—

"SEC. 513. CUSTOMS OFFICER'S IMMUNITY.

"No customs officer shall be liable in any way to any person for or on account of—

"(1) any ruling or decision regarding the appraisement or the classification of any imported merchandise or regarding the duties, fees, and taxes charged thereon;

"(2) the collection of any dues, charges, duties, fees, and taxes on or on account of any imported merchandise, or

"(3) any other matter or thing as to which any person might under this Act be entitled to protest or appeal from the decision of such officer.".

SEC. 245. PROTESTS.

Section 514 (19 U.S.C. 1514) is amended—

(1) by amending subsection (a)—

(A) by striking out "appropriate customs officer" in the text preceding paragraph (1) and inserting "Customs Service",

(B) by inserting "or reconciliation as to the issues contained therein," after "entry," in paragraph (5),

(C) by striking out "and" and inserting "or" at the end of paragraph (6),

(D) by striking out the comma at the end of paragraph (7) and inserting a semicolon; and

(E) by striking out "appropriate customs officer, who" in the text following paragraph (7) and inserting "Customs Service, which";

(2) by amending subsection (b) by striking out "appropriate customs officer" and inserting "Customs Service";

(3) by amending the first sentence of subsection (c)(1) to read as follows: "A protest of a decision made under subsection (a) shall be filed in writing, or transmitted electronically pursuant to an electronic data interchange system, in accordance with regulations prescribed by the Secretary. A protest must set forth distinctly and specifically—

"(A) each decision described in subsection (a) as to which protest is made;

"(B) each category of merchandise affected by each decision set forth under paragraph (1);

"(C) the nature of each objection and the reasons therefor; and

"(D) any other matter required by the Secretary by regulation.";

(4) by redesignating paragraph (2) of subsection (c) as paragraph (3) and by striking out "such customs officer" in such redesignated paragraph and inserting "the Customs Service";

(5) by designating the last sentence of paragraph (1) of subsection (c) as paragraph (2);

(6) by striking out "customs officer" in subsection (d) and inserting "Customs Service"; and

(7) by amending the section heading to read as follows:

"SEC. 514. PROTEST AGAINST DECISIONS OF THE CUSTOMS SERVICE.";

SEC. 246. REFUNDS AND ERRORS.

Section 520 (19 U.S.C. 1520) is amended—

(1) by inserting "or reconciliation" after "entry" in paragraphs (1) and (4) of subsection (a); and

(2) by amending subsection (c)—

(A) by striking out "appropriate customs officer" wherever it appears and inserting "Customs Service",

(B) by inserting "or reconciliation" after "reliquidate an entry", and

(C) by inserting ", whether or not resulting from or contained in electronic transmission," after "inadvertence" the first place it appears in paragraph (1).

SEC. 247. BONDS AND OTHER SECURITY.

Section 623 (19 U.S.C. 1623) is amended—

(1) by inserting "and the manner in which the bond may be filed with or, pursuant to an authorized electronic data interchange system, transmitted to the Customs Service" after "form of such bond" in subsection (b)(1); and

(2) by inserting at the end of subsection (d) the following new sentence: "Any bond transmitted to the Customs Service pursuant to an authorized electronic data interchange system shall have the same force and effect and be binding upon the parties thereto as if such bond were manually executed, signed, and filed.".

SEC. 248. CUSTOMHOUSE BROKERS.

Section 641 (19 U.S.C. 1641) is amended—

(1) by adding at the end of subsection (a)(2) the following new sentence: "It also includes the preparation of documents or forms in any format and the electronic transmission of documents, invoices, bills, or parts thereof, intended

to be filed with the Customs Service in furtherance of such activities, whether or not signed or filed by the preparer, or activities relating to such preparation, but does not include the mere electronic transmission of data received for transmission to Customs.";

(2) by amending subsection (c)(1) to read as follows:

"(1) IN GENERAL.—Each person granted a customs broker's license under subsection (b) shall be issued, in accordance with such regulations as the Secretary shall prescribe, either or both of the following:

"(A) A national permit for the conduct of such customs business as the Secretary prescribes by regulation.

"(B) A permit for each customs district in which that person conducts customs business and, except as provided in paragraph (2), regularly employs at least 1 individual who is licensed under subsection (b)(2) to exercise responsible supervision and control over the customs business conducted by that person in that district.";

(3) by inserting at the end of subsection (c) the following new paragraph:

"(4) APPOINTMENT OF SUBAGENTS.—Notwithstanding subsection (c)(1), upon the implementation by the Secretary under section 413(b)(2) of the component of the National Customs Automation Program referred to in section 411(a)(2)(B), a licensed broker may appoint another licensed broker holding a permit in a customs district to act on its behalf as its subagent in that district if such activity relates to the filing of information that is permitted by law or regulation to be filed electronically. A licensed broker appointing a subagent pursuant to this paragraph shall remain liable for any and all obligations arising under bond and any and all duties, taxes, and fees, as well as any other liabilities imposed by law, and shall be precluded from delegating to a subagent such liability.";

(4) by amending subsection (d)(2)(B)—

(A) by striking out "appropriate customs officer" and inserting "Customs Service" in the first and third sentences,

(B) by striking out "he" and inserting "it" in the third sentence,

(C) by striking out "15 days" and inserting "30 days" in the third sentence,

(D) by striking out "the appropriate customs officer and the customs broker; they" and inserting "the Customs Service and the customs broker; which" in the sixth sentence,

(E) by striking out "his" and inserting "the" in the seventh sentence, and

(F) by striking out "for his decision" and inserting "for the decision" in the eighth sentence"; and

(5) by amending subsection (f) by striking out "United States Customs Service." and inserting "Customs Service. The Secretary may not prohibit customs brokers from limiting their liability to other persons in the conduct of customs business. For purposes of this subsection or any other provision of this Act pertaining to recordkeeping, all data required to be retained by a customs broker may be kept on microfilm, optical disc, magnetic tapes, disks or drums, video files or any other electrically generated medium. Pursuant to such regulations as the Secretary shall prescribe, the conversion of data to such storage medium may be accomplished at any time subsequent to the relevant customs transaction and the data may be retained in a centralized basis according to such broker's business system.".

SEC. 249. CONFORMING AMENDMENTS.

(a) PLACE OF ENTRY AND UNLADING.—Section 447 (19 U.S.C. 1447) is amended by striking out "the appropriate customs officer shall consider" and inserting "the Customs Service considers".

(b) UNLADING.—Section 449 (19 U.S.C. 1449) is amended by striking out "appropriate customs officer of such port issues a permit for the unlading of such merchandise or baggage," and inserting "Customs Service issues a permit for the unlading of such merchandise or baggage at such port,".

Subtitle C—Miscellaneous Amendments to the Tariff Act of 1930

SEC. 251. ADMINISTRATIVE EXEMPTIONS.

Section 321 (19 U.S.C. 1321) is amended—

(1) by amending subsection (a)(1)—

(A) by striking out "of less than $10" and inserting "of an amount specified by the Secretary by regulation, but not less than $20,",

(B) by inserting ", fees," after "duties" wherever it appears, and

(C) by striking out "and" at the end thereof;

(2) by amending subsection (a)(2)—

(A) by striking out "shall not exceed—" and inserting "shall not exceed an amount specified by the Secretary by regulation, but not less than—",

(B) by striking out "$50" and "$100" in subparagraph (A) and inserting "$100" and "$200", respectively,

(C) by striking out "$25" in subparagraph (B) and inserting "$200",

(D) by striking out "$5" in subparagraph (C) and inserting "$200", and

(E) by striking the period at the end thereof and inserting "; and", and

(3) by inserting a new paragraph (3) at the end of subsection (a) to read as follows:

"(3) waive the collection of duties, fees, and taxes due on entered merchandise when such duties, fees, or taxes are less than $20 or such greater amount as may be specified by the Secretary by regulation."; and

(4) by amending subsection (b)—

(A) by striking out "to diminish any dollar amount specified in subsection (a) and"; and

(B) by striking out "such subsection" wherever it appears and inserting "subsection (a)".

SEC. 252. REPORT OF ARRIVAL.

Section 433 (19 U.S.C. 1433) is amended—

(1) by amending subsection (a)(1)—

(A) by striking out "or" at the end of subparagraph (B),

(B) by inserting "or" after the semicolon at the end of subparagraph (C), and

(C) by adding after paragraph (C) the following:

"(D) any vessel which has visited a hovering vessel or received merchandise while outside the territorial sea;";

(2) by striking out "present to customs officers such" in subsection (d) and inserting "present, or transmit pursuant to an electronic data interchange system, to the Customs Service such information, data,"; and

(3) by amending subsection (e) to read as follows:

"(e) PROHIBITION ON DEPARTURES AND DISCHARGE.—Unless otherwise authorized by law, a vessel, aircraft or vehicle after arriving in the United States or Virgin Islands may, but only in accordance with regulations prescribed by the Secretary—

"(1) depart from the port, place, or airport of arrival; or

"(2) discharge any passenger or merchandise (including baggage).".

SEC. 253. ENTRY OF VESSELS.

Section 434 (19 U.S.C. 1434) amended to read as follows:

"SEC. 434. ENTRY; VESSELS.

"(a) FORMAL ENTRY.—Within 24 hours (or such other period of time as may be provided under subsection (c)(2)) after the arrival at any port or place in the United States of—

"(1) any vessel from a foreign port or place;

"(2) any foreign vessel from a domestic port;

"(3) any vessel of the United States having on board bonded merchandise or foreign merchandise for which entry has not been made; or

"(4) any vessel which has visited a hovering vessel or has delivered or received merchandise while outside the territorial sea;

the master of the vessel shall, unless otherwise provided by law, make formal entry at the nearest customs facility or such other place as the Secretary may prescribe by regulation.

"(b) PRELIMINARY ENTRY.—The Secretary may by regulation permit the master to make preliminary entry of the vessel with the Customs Service in lieu of formal entry or before formal entry is made.

"(c) REGULATIONS.—The Secretary may by regulation—

"(1) prescribe the manner and format in which entry under subsection (a) or subsection (b), or both, must be made, and such regulations may provide that any such entry may be made electronically pursuant to an electronic data interchange system;

"(2) provide that—

"(A) formal entry must be made within a greater or lesser time than 24 hours after arrival, but in no case more than 48 hours after arrival, and

"(B) formal entry may be made before arrival; and

"(3) authorize the Customs Service to permit entry or preliminary entry of any vessel to be made at a place other than a designated port of entry, under such conditions as may be prescribed.".

SEC. 254. UNLAWFUL RETURN OF FOREIGN VESSEL PAPERS.

Section 438 (19 U.S.C. 1438) is amended—

(1) by striking out "section 435" and inserting "section 434";

(2) by inserting ", or regulations issued thereunder," after "of this Act"; and

(3) by striking out "the appropriate customs officer of the port where such vessel has been entered." and inserting "the Customs Service in the port in which such vessel has entered.".

SEC. 255. VESSELS NOT REQUIRED TO ENTER.

Section 441 (19 U.S.C. 1441) is amended—

(1) by amending the text preceding paragraph (1) to read as follows: "The following vessels shall not be required to make entry under section 434 or to obtain clearance under section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91):";

(2) by amending paragraph (3) to read as follows:

"(3) Any vessel carrying passengers on excursion from the United States Virgin Islands to the British Virgin Islands and returning, if—

"(A) the vessel does not in any way violate the customs or navigation laws of the United States;

"(B) the vessel has not visited any hovering vessel; and

"(C) the master of the vessel, if there is on board any article required by law to be entered, reports the article to the Customs Service immediately upon arrival.";

(3) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and inserting after paragraph (3) the following:

"(4) Any United States documented vessel with recreational endorsement or any undocumented United States pleasure vessel not engaged in trade, if—

"(A) the vessel complies with the reporting requirements of section 433, and with the customs and navigation laws of the United States;

"(B) the vessel has not visited any hovering vessel; and

"(C) the master of, and any other person on board, the vessel, if the master or such person has on board any article required by law to be entered or declared, reports such article to the Customs Service immediately upon arrival;"; and

(4) by amending the section heading to read as follows:

"SEC. 441. EXCEPTIONS TO VESSEL ENTRY AND CLEARANCE REQUIREMENTS.".

SEC. 256. UNLADING.

Section 448(a) (19 U.S.C. 1448(a)) is amended—

(1) by amending the first sentence—

(A) by striking out "enter)" and inserting "enter or clear)",

(B) by striking out "or vehicle arriving from a foreign port or place" and inserting "required to make entry under section 434, or vehicle required to report arrival under section 433,",

(C) by inserting "or transmitted pursuant to an electronic data interchange system" after "issued", and

(D) by striking out the colon after "officer" and the proviso and inserting a period;

(2) by amending the second sentence—

(A) by striking out ", preliminary or otherwise,", and

(B) by inserting ", electronically pursuant to an authorized electronic data interchange system or otherwise," after "may issue a permit";

(3) by striking out the last sentence and inserting the following: "The owner or master of any vessel or vehicle, or agent thereof, shall notify the Customs Service of any merchandise or baggage so unladen for which entry is not made within the time prescribed by law or regulation. The Secretary shall by regulation prescribe administrative penalties not to exceed $1,000 for each bill of lading for which notice is not given. Any such administrative penalty shall be subject to mitigation and remittance under section 618. Such unentered merchandise or baggage shall be the responsibility of the master or person in charge of the importing vessel or vehicle, or agent thereof, until it is removed from the carrier's control in accordance with section 490."; and

(4) by striking out "the appropriate customs officer" and "such customs officer" wherever they appear and inserting "the Customs Service".

SEC. 257. DECLARATIONS.

Section 485 (19 U.S.C. 1485) is amended—

(1) by amending subsection (a)—

(A) by inserting "or transmit electronically" after "file", and

(B) by inserting "and manner" after "form";

(2) by amending subsection (d)—

(A) by striking out "A importer" and inserting "An importer", and

(B) by striking out "a importer" and inserting "an importer"; and

(3) by inserting after subsection (f) the following new subsection:

"(g) EXPORTED MERCHANDISE RETURNED AS UNDELIVERABLE.—With respect to any importation of merchandise to which General Headnote 4(e) of the Harmonized Tariff Schedule of the United States applies, any person who gained any benefit from, or met any obligation to, the United States as a result of the prior exportation of such merchandise shall, in accordance with regulations prescribed by the Secretary, within a reasonable time inform the Customs Service of the return of the merchandise.".

SEC. 258. GENERAL ORDERS.

Section 490 (19 U.S.C. 1490) is amended—

(1) by amending subsection (a) to read as follows:

"(a) INCOMPLETE ENTRY.—

"(1) Whenever—

"(A) the entry of any imported merchandise is not made within the time provided by law or by regulation prescribed by the Secretary;

"(B) the entry of imported merchandise is incomplete because of failure to pay the estimated duties, fees, or interest;

"(C) in the opinion of the Customs Service, the entry of imported merchandise cannot be made for want of proper documents or other cause; or

"(D) the Customs Service believes that any merchandise is not correctly and legally invoiced;

the carrier (unless subject to subsection (c)) shall notify the bonded warehouse of such unentered merchandise.

"(2) After notification under paragraph (1), the bonded warehouse shall arrange for the transportation and storage of the merchandise at the risk and expense of the consignee. The merchandise shall remain in the bonded warehouse until—

"(A) entry is made or completed and the proper documents are produced;

"(B) the information and data necessary for entry are transmitted to the Customs Service pursuant to an authorized electronic data interchange system; or

"(C) a bond is given for the production of documents or the transmittal of data.";

(2) by amending subsection (b)—

(A) by amending the heading for subsection (b) to read as follows: "(b) REQUEST FOR POSSESSION BY CUSTOMS.—", and

(B) by striking out "appropriate customs officer" and inserting "Customs Service"; and

(3) by adding at the end the following new subsection:

"(c) GOVERNMENT MERCHANDISE.—Any imported merchandise that—

"(1) is described in any of paragraphs (1) through (4) of subsection (a); and

"(2) is consigned to, or owned by, the United States Government;

shall be stored and disposed of in accordance with such rules and procedures as the Secretary shall by regulation prescribe.".

SEC. 259. UNCLAIMED MERCHANDISE.

Section 491 (19 U.S.C. 1491) is amended—

(1) by amending subsection (a)—

(A) by striking out "customs custody for one year" in the first sentence and inserting "in a bonded warehouse pursuant to section 490 for 6 months",

(B) by striking out "public store or bonded warehouse for a period of one year" in the second sentence and inserting "pursuant to section 490 in a bonded warehouse for 6 months", and

(C) by striking out "estimated duties and storage" in the first sentence and inserting "estimated duties, taxes, fees, interest, storage,",

(D) by inserting "taxes, fees, interest," after "duties," wherever it appears, and

(E) by striking out "duties" in the last sentence and inserting "duties, taxes, interest, and fees";

(2) by redesignating subsection (b) as subsection (e) and inserting after subsection (a) the following new subsections:

"(b) NOTICE OF TITLE VESTING IN THE UNITED STATES.—At the end of the 6-month period referred to in subsection (a), the Customs Service may, in lieu of sale of the merchandise, provide notice to all known interested parties that the title to such merchandise shall be considered to vest in the United States free and clear of any liens or encumbrances, on the 30th day after the date of the notice unless, before such 30th day—

"(1) the subject merchandise is entered or withdrawn for consumption; and

"(2) payment is made of all duties, taxes, fees, transfer and storage charges, and other expenses that may have accrued thereon.

"(c) RETENTION, TRANSFER, DESTRUCTION, OR OTHER DISPOSITION.—If title to any merchandise vests in the United States by operation of subsection (b), such merchandise may be retained by the Customs Service for official use, transferred to any other Federal agency or to any State or local agency, destroyed, or otherwise disposed of in accordance with such regulations as the Secretary shall prescribe. All transfer and storage charges or expenses accruing on transferred merchandise shall be paid by the receiving agency, otherwise the charges and expenses on such merchandise shall be paid out of the Customs Forfeiture Fund.

"(d) PETITION.—Whenever any party, having lost a substantial interest in merchandise by virtue of title vesting in the United States under subsection (b), can establish such title or interest to the satisfaction of the Secretary within 30 days after the day on which title vests in the United States under subsection (b), or can establish to the satisfaction of the Secretary that the party did not receive notice under subsection (b), the Secretary may, upon receipt of a timely and proper petition and upon finding that the facts and circumstances warrant, pay such party out of the Customs Forfeiture Fund the amount the Secretary believes the party would have received under section 493 had the merchandise been sold and a proper claim filed. The decision of the Secretary with respect to any such petition is final and conclusive on all parties."; and

(3) by amending subsection (e) (as so redesignated) by striking out "appropriate customs officer" in paragraph (3) and inserting "Customs Service".

SEC. 260. DESTRUCTION OF MERCHANDISE.

Section 492 (19 U.S.C. 1492) is amended—

(1) by inserting ", retained for official use, or otherwise disposed of" after "destroyed"; and

(2) by striking out "appropriate customs officer" and inserting "Customs Service".

SEC. 261. PROCEEDS OF SALE.

Section 493 (19 U.S.C. 1493) is amended—

(1) by inserting "taxes, and fees," after "duties,";

(2) by striking out "by the appropriate customs officer in the Treasury of the United States" and inserting "in the Customs Forfeiture Fund"; and

(3) by striking out "such customs officer" and inserting "the Customs Service".

SEC. 262. ENTRY UNDER REGULATIONS.

Section 498(a) (19 U.S.C. 1498(a)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Merchandise, when—

"(A) the aggregate value of the shipment does not exceed an amount specified by the Secretary by regulation, but not more than $2,500; or

"(B) different commercial facilitation and risk considerations that may vary for different classes or kinds of merchandise or different classes of transactions may dictate;"; and

(2) by striking out "$10,000" in paragraph (2) and inserting "such amounts as the Secretary may prescribe".

SEC. 263. AMERICAN TRADEMARKS.

Section 526(e)(3) (19 U.S.C. 1526(e)(3)) is amended—

(1) by striking out "1 year" and inserting "90 days"; and

(2) by striking out "appropriate customs officers" and inserting "the Customs Service".

SEC. 264. SEIZURE.

Section 612 (19 U.S.C. 1612) is amended—

(1) by amending subsection (a)—

(A) by striking out "the appropriate customs officer", "such officer" and "the customs officer" wherever they appear and inserting "the Customs Service", and

(B) by striking out "the appraiser's return and his" and inserting "its"; and

(2) by amending subsection (b) to read as follows:

"(b) If the Customs Service determines that the expense of keeping the vessel, vehicle, aircraft, merchandise, or baggage is disproportionate to the value thereof, the Customs Service may promptly order the destruction or other appropriate disposition of such property under regulations prescribed by the Secretary. No customs officer shall be liable for the destruction or other disposition of property made pursuant to this section.".

SEC. 265. CUSTOMS FORFEITURE FUND.

Section 613A (19 U.S.C. 1613b) is amended—

(1) by redesignating subparagraphs (E) and (F) of subsection (a)(3) as subparagraphs (G) and (H), respectively;

(2) by inserting after subparagraph (D) of subsection (a)(3) the following new subparagraphs:

"(E) the payment of transfer and storage charges and expenses under section 491(c);

"(F) the payment of claims against employees of the Customs Service settled by the Secretary under section 630;"; and

(3) by striking out "shall" in subsection (d) and inserting "may".

SEC. 266. LIMITATION ON ACTIONS.

Section 621 (19 U.S.C. 1621) is amended—

(1) by inserting "any duty under section 592(d), 593A(d), or" before "any pecuniary penalty"; and

(2) by striking out "discovered:" and all that follows thereafter and inserting the following: "discovered; except that—

"(1) in the case of an alleged violation of section 592 or 593A, no suit or action may be instituted unless commenced within 5 years after the date of the alleged violation or, if such violation arises out of fraud, within 5 years after the date of discovery of fraud, and

"(2) the time of the absence from the United States of the person subject to the penalty or forfeiture, or of any concealment or absence of the property, shall not be reckoned within the 5-year period of limitation.".

SEC. 267. COLLECTION OF FEES ON BEHALF OF OTHER AGENCIES.

The Tariff Act of 1930 is amended by inserting after section 528 the following new section:

"SEC. 529. COLLECTION OF FEES ON BEHALF OF OTHER AGENCIES.

"The Customs Service shall be reimbursed from the fees collected for the cost and expense, administrative and otherwise, incurred in collecting any fees on behalf of any government agency for any reason.".

SEC. 268. AUTHORITY TO SETTLE CLAIMS.

The Tariff Act of 1930 is amended by inserting after section 629 the following new section:

"SEC. 630. AUTHORITY TO SETTLE CLAIMS.

"(a) IN GENERAL.—Notwithstanding any other provision of law and subject to subsection (b), the Secretary may settle, for not more than $50,000 in any one case, a claim for personal injury, death, or damage to, or loss of, privately owned property caused by an investigative or law enforcement officer (as defined in section 2680(h) of title 28, United States Code) who is employed by the Customs Service and acting within the scope of his or her employment.

"(b) LIMITATIONS.—The Secretary may not pay a claim under subsection (a) that—

"(1) concerns commercial property;

"(2) is presented to the Secretary more than 1 year after it occurs; or

"(3) is presented by an officer or employee of the United States Government and arose within the scope of employment.

"(c) FINAL SETTLEMENT.—A claim may be paid under this section only if the claimant accepts the amount of settlement in complete satisfaction of the claim.".

SEC. 269. USE OF PRIVATE COLLECTION AGENCIES.

The Tariff Act of 1930 is amended by inserting after section 630 the following new section:

"SEC. 631. USE OF PRIVATE COLLECTION AGENCIES.

"(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary, under such terms and conditions as the Secretary considers appropriate, shall enter into contracts and incur obligations with one or more persons for collection services to recover indebtedness arising under the customs laws and owed the United States Government, but only after the Customs Service has exhausted all administrative efforts, including all claims against applicable surety bonds, to collect the indebtedness.

"(b) CONTRACT REQUIREMENTS.—Any contract entered into under subsection (a) shall provide that—

"(1) the Secretary retains the authority to resolve a dispute, compromise a claim, end collection action, and refer a matter to the Attorney General to bring a civil action; and

"(2) the person is subject to—

"(A) section 552a of title 5, United States Code, to the extent provided in subsection (m) of such section; and

"(B) laws and regulations of the United States Government and State governments related to debt collection practices.".

Subtitle D—Miscellaneous Provisions and Consequential and Conforming Amendments to Other Laws

SEC. 281. AMENDMENTS TO THE HARMONIZED TARIFF SCHEDULES.

(a) RETURN SHIPMENTS.—General Note 4 of the Harmonized Tariff Schedule of the United States is amended—

(1) by striking out "and" at the end of subdivision (c);

(2) by inserting "and" after "1930," in subdivision (d);

(3) by inserting after subdivision (d) the following:

"(e) articles exported from the United States which are returned within 45 days after such exportation from the United States as undeliverable and which have not left the custody of the carrier or foreign customs service,"; and

(4) by adding at the end the following new sentence: "No exportation referred to in subdivision (e) may be treated as satisfying any requirement for exportation in order to receive a benefit from, or meet an obligation to, the United States as a result of such exportation.".

(b) ENTRY NOT REQUIRED FOR LOCOMOTIVES AND RAILWAY FREIGHT CARS.—

(1) The Notes to chapter 86 of such Schedule are amended by inserting after note 3 the following new note:

"4. Railway locomotives (provided for in headings 8601 and 8602) and railway freight cars (provided for in heading 8606) on which no duty is owed are not subject to the entry or release requirements for imported merchandise set forth in sections 448 and 484 of the Tariff Act of 1930. The Secretary of the Treasury may by regulation establish appropriate reporting requirements, including the requirement that a bond be posted to ensure compliance.".

(2) The U.S. Notes to subchapter V of chapter 99 of such Schedule are amended by inserting after note 8 the following new note:

"9. Railway freight cars provided for in subheadings 9905.86.05 and 9905.86.10 are not subject to the entry or release requirements for imported merchandise set forth in sections 448 and 484 of the Tariff Act of 1930. The Secretary of the Treasury may by regulation establish appropriate reporting requirements, including the requirement that a bond be posted to ensure compliance.".

(c) INSTRUMENTS OF INTERNATIONAL TRAFFIC.—The U.S. Notes to subchapter III of chapter 98 of such Schedule is amended by inserting after note 3 the following new note:

"4. Instruments of international trade, such as containers, light vans, rail cars and locomotives, truck cabs and trailers, etc. are exempt from formal entry procedures but are required to be accounted for when imported and exported into and out of the United States, respectively, through the manifesting procedures required of all international carriers by the United States Customs Service. Fees associated with the importation of such instruments of international trade shall be reported and paid on a periodic basis as required by regulations issued by the Secretary of the Treasury and in accordance with International Conventions on Instruments of International Trade.".

SEC. 282. AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.

Section 9505(c) of the Internal Revenue Code of 1986 (26 U.S.C. 9505(c)) is amended to read as follows:

"(c) EXPENDITURES FROM THE HARBOR MAINTENANCE TRUST FUND.—

"(1) Amounts in the Harbor Maintenance Trust Fund shall be available, as provided by appropriations Acts, for making expenditures—

"(A) to carry out section 210(a) of the Water Resources Development Act of 1986 (as amended by the Water Resources Development Act of 1990),

"(B) for payments of rebates of tolls or charges pursuant to section 13(b) of the Act of May 13, 1954 (as in effect on April 1, 1987), and

"(C) for the payments of all administrative expenses incurred by the Department of the Army, the Department of the Treasury and the Department of Commerce in administering the tax imposed by section 4461.

"(2) There are authorized to be appropriated to the Department of the Army, out of the Harbor Maintenance Trust Fund established by subsection (a), for each fiscal year up to $5,000,000 to be used by the Department of the Army to provide payment of all administrative expenses incurred by the Department of the Army, the Department of the Treasury, and the Department of Commerce in administering the tax imposed by section 4461.".

SEC. 283. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

(a) AMENDMENTS RELATING TO ACCREDITATION OF PRIVATE LABORATORIES.—Title 28 of the United States Code is amended as follows:

(1) Section 1581(g) is amended by—

(A) striking out "and" at the end of paragraph (1);

(B) by striking out the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) any decision or order of the Customs Service to deny, suspend, or revoke accreditation of a private laboratory under section 499(b) of the Tariff Act of 1930.".

(2) Section 2631(g) is amended by inserting at the end the following new paragraph:

"(3) A civil action to review any decision or order of the Customs Service to deny, suspend, or revoke accreditation of a private laboratory under section 499(b) of the Tariff Act of 1930 may be commenced in the Court of International Trade by the person whose accreditation was denied, suspended, or revoked.".

(3) Section 2636 is amended—

(A) by redesignating subsection (h) as subsection (i); and

(B) by inserting after subsection (g) the following new subsection:

"(h) A civil action contesting the denial, suspension, or revocation by the Customs Service of a private laboratory's accreditation under section 499(b) of the Tariff Act of 1930 is barred unless commenced in accordance with the rules of the Court of International Trade within 60 days after the date of the decision or order of the Customs Service.".

(4) Section 2640 is amended—

(A) by redesignating subsection (d) as subsection (e); and

(B) by inserting after subsection (c) the following new subsection:

"(d) In any civil action commenced to review any order or decision of the Customs Service under section 499(b) of the Tariff Act of 1930, the court shall review the action on the basis of the record before the Customs Service at the time of issuing such decision or order.".

(5) Section 2642 is amended by inserting before the period the following: "or laboratories accredited by the Customs Service under section 499(b) of the Tariff Act of 1930".

(b) APPLICATION OF SUBSECTION (a) AMENDMENTS.—For purposes of applying the amendments made by subsection (a), any decision or order of the Customs Service denying, suspending, or revoking the accreditation of a private laboratory on or after the date of the enactment of this title and before regulations to implement section 499(b) of the Tariff Act of 1930 are issued shall be treated as having been denied, suspended, or revoked under such section 499(b).

(c) JURISDICTION OF COURT.—Section 1582(1) of title 28, United States Code, is amended by inserting "593A," after "592,".

(d) FILING OF OFFICIAL DOCUMENTS.—Section 2635(a) of title 28, United States Code, is amended to read as follows:

"(a) In any action commenced in the Court of International Trade contesting the denial of a protest under section 515 of the Tariff Act of 1930 or the denial of a petition under section 516 of such Act, the Customs Service, as prescribed by the rules of the court, shall file with the clerk of the court, as part of the official record, any document, paper, information or data relating to the entry of merchandise and the administrative determination that is the subject of the protest or petition.".

SEC. 284. AMENDMENTS TO THE REVISED STATUTES OF THE UNITED STATES.

(a) ENROLLED OR LICENSED VESSELS.—Section 2793 of the Revised Statutes of the United States (19 U.S.C. 288; 46 U.S.C. App. 111, 123) is amended by striking out the first semicolon and all the text that follows thereafter and inserting a period.

(b) REGISTERED VESSELS AT FOREIGN PORTS.—Section 3126 of such Revised Statutes (19 U.S.C. 293) is amended—

(1) by striking out "Any vessel, on being duly registered in pursuance of the laws of the United States," and inserting "Any United States documented vessel with a registry and coastwise endorsements"; and

(2) by striking out all the text occurring after the first sentence.

(c) CLEARANCE REQUIREMENTS.—Section 4197 of such Revised Statutes (46 U.S.C. App. 91) is amended to read as follows:

"SEC. 4197. CLEARANCE; VESSELS.

"(a) WHEN REQUIRED; VESSELS OF THE UNITED STATES.—Except as otherwise provided by law, any vessel of the United States shall obtain clearance from the Customs Service before proceeding from a port or place in the United States—

"(1) for a foreign port or place;

"(2) for another port or place in the United States if the vessel has on board bonded merchandise or foreign merchandise for which entry has not been made; or

"(3) outside the territorial sea to visit a hovering vessel or to receive merchandise while outside the territorial sea.

"(b) WHEN REQUIRED; OTHER VESSELS.—Except as otherwise provided by law, any vessel that is not a vessel of the United States shall obtain clearance from the Customs Service before proceeding from a port or place in the United States—

"(1) for a foreign port or place;

"(2) for another port or place in the United States; or

"(3) outside the territorial sea to visit a hovering vessel or to receive or deliver merchandise while outside the territorial sea.

"(c) REGULATIONS.—The Secretary of the Treasury may by regulation—

"(1) prescribe the manner in which clearance under this section is to be obtained, including the documents, data or information which shall be submitted or transmitted, pursuant to an authorized data interchange system, to obtain the clearance;

"(2) permit the Customs Service to grant clearance for a vessel under this section before all requirements for clearance are complied with, but only if the owner or operator of the vessel files a bond in an amount set by the Secretary of the Treasury conditioned upon the compliance by the owner or operator with all specified requirements for clearance within a time period (not exceeding 4 business days) established by the Secretary of the Treasury; and

"(3) authorize the Customs Service to permit clearance of any vessel to be obtained at a place other than a designated port of entry, under such conditions as he may prescribe.".

SEC. 285. AMENDMENTS TO TITLE 18, UNITED STATES CODE.

Section 965(a) of title 18, United States Code, is amended—

(1) by striking out "sections 91, 92, and 94 of Title 46" and inserting "section 431 of the Tariff Act of 1930 (19 U.S.C. 1431) and section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91),";

(2) by striking out "the collector of customs for the district wherein such vessel is then located" and inserting "the Customs Service"; and

(3) by striking out "the collector like" and inserting in lieu thereof "the Customs Service like".

SEC. 286. AMENDMENT TO THE ACT TO PREVENT POLLUTION FROM SHIPS.

Section 9(e) of the Act to Prevent Pollution from Ships (94 Stat. 2301, 33 U.S.C. 1908(e)) is amended by striking out "shall refuse or revoke" and all of the text following thereafter and inserting "shall refuse or revoke the clearance required by section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91). Clearance may be granted upon the filing of a bond or other surety satisfactory to the Secretary.".

SEC. 287. AMENDMENTS TO THE ACT OF NOVEMBER 6, 1966.

Sections 2(e) and 3(e) of the Act of November 6, 1966 (46 U.S.C. App. 817d(e) and 817e(e)) are each amended—

(1) by striking out "The collector of customs at" and inserting "At"; and

(2) by inserting ", the Customs Service" after "subsection (a) of this section".

SEC. 288. REPEAL OF OBSOLETE PROVISIONS OF LAW.

(a) REVISED STATUTES.—The following provisions of the Revised Statutes of the United States are repealed:

(1) So much of section 2792 as is codified at 19 U.S.C. 289 and 46 U.S.C. App. 110 and 112 (as in effect on the date of the enactment of this Act).

(2) Section 3111 (19 U.S.C. 282).

(3) Section 3118 (19 U.S.C. 286).

(4) Section 3119 (19 U.S.C. 287).

(5) Section 3122 (19 U.S.C. 290).

(6) Section 3124 (19 U.S.C. 291).

(7) Section 3125 (19 U.S.C. 292).

(8) Section 4198 (46 U.S.C. App. 94).

(9) Section 4199 (46 U.S.C. App. 93).

(10) Section 4201 (46 U.S.C. App. 96).

(11) Section 4207.

(12) Section 4208 (46 U.S.C. App. 102).

(13) Section 4213 (46 U.S.C. App. 101).

(14) So much of section 4221 as is codified at 46 U.S.C. App. 113 (as in effect on the date of the enactment of this Act).

(15) Section 4222 (46 U.S.C. App. 126).

(16) Section 4332 (46 U.S.C. App. 274).

(17) Section 4348 (46 U.S.C. App. 293).

(18) Section 4358 (46 U.S.C. App. 306).

(19) Section 4361 (46 U.S.C. App. 307).

(20) Sections 4362 through 4369 (46 U.S.C. App. 308 through 315).

(21) Sections 4573 through 4576 (46 U.S.C. App. 674 through 677).

(b) TARIFF ACT OF 1930.—The following sections of the Tariff Act of 1930 are repealed:

(1) Section 432 (19 U.S.C. 1432).

(2) Section 435 (19 U.S.C. 1435).

(3) Section 437 (19 U.S.C. 1437).

(4) Section 439 (19 U.S.C. 1439).

(5) Section 440 (19 U.S.C. 1440).

(6) Sections 443, 444, and 445 (19 U.S.C. 1443, 1444, and 1445).

(7) Section 465 (19 U.S.C. 1465).

(8) Section 482 (19 U.S.C. 1482).

(9) Section 583 (19 U.S.C. 1583).

(10) Section 585 (19 U.S.C. 1585).

(c) MISCELLANEOUS PROVISIONS.—The following provisions are repealed:

(1) The last undesignated paragraph of section 201 of the Act of August 5, 1935 (19 U.S.C. 1432a), is repealed.

(2) The Act of June 16, 1937 (19 U.S.C. 1435b).

(3) Section 1 of the Act of July 3, 1926 (46 U.S.C. App. 293a).

(4) The Act of May 4, 1934 (46 U.S.C. App. 91a).

(5) Section 1403(b) of the Water Resources Development Act of 1986 (Public Law 99-662; 26 U.S.C. 4461 note).

SEC. 289. REPORTS TO CONGRESS.

(a) ANTIDUMPING AND COUNTERVAILING DUTY COLLECTIONS.—The Commissioner of Customs shall before the 60th day of each fiscal year after fiscal year 1992 submit to Congress a report regarding the collection during the preceding fiscal year of duties imposed under the antidumping and countervailing duty laws.

(b) CES FEE REPORT.—

(1) AMENDMENT.—Section 9501(c) of the Omnibus Budget Reconciliation Act of 1987 (19 U.S.C. 3 note) is amended by adding at the end the following new paragraph:

"(3) The Commissioner of Customs is authorized to obtain from the operators of centralized cargo examination stations information regarding the fees paid to them for the provision of services at these stations.".

(2) REPORT.—Within 9 months after the date of the enactment of this subsection, the Commissioner of Customs shall submit to the Committees referred to in section 9501(c) of the Omnibus Budget Reconciliation Act of 1987, a report setting forth—

(A) an estimate of the aggregate amount of fees paid to operators of centralized cargo examination stations during fiscal year 1992; and

(B) the variations, if any, among customs districts with respect to the amounts of the fees charged for centralized cargo examination station services.

(c) COMPLIANCE WITH CUSTOMS LAWS.—Section 123 of the Customs and Trade Act of 1990 (19 U.S.C. 2083) is amended—

(1) by redesignating subsection (d) as subsection (e), and

(2) by inserting after subsection (c) the following:

"(d) COMPLIANCE PROGRAM.—The Commissioner of Customs shall—

"(1) devise and implement a methodology for estimating the level of compliance with the laws administered by the Customs Service; and

"(2) include as an additional part of the report required to be submitted under subsection (a) for each of fiscal years 1993, 1994, and 1995, an evaluation of the extent to which such compliance was obtained during the 12-month period preceding the 60th day before each such fiscal year.".

(d) COURIER SERVICES COMPLIANCE REPORT.—The Commissioner of Customs shall initiate a compliance review of certain courier services which may not be eligible for benefits under the regulations of the Customs Service prescribed in part 128 of title 19 of the Code of Federal Regu-

lations and shall submit a report to Congress on the results of such review within 1 year after the date of the enactment of this title.

SEC. 290. APPLICABILITY OF AMENDMENTS TO ENTRY OR WITHDRAWAL OF GOODS.

Any amendment made by this title that is applicable to the entry, or withdrawal from warehouse for consumption, of goods applies to any such entry or withdrawal that is made on or after the 15th day after the date of the enactment of this title.

TITLE III—CUSTOMS AND TRADE AGENCY AUTHORIZATIONS FOR FISCAL YEARS 1993 AND 1994

SEC. 301. CUSTOMS AND TRADE AGENCY AUTHORIZATIONS.

(a) UNITED STATES INTERNATIONAL TRADE COMMISSION.—Section 330(e)(2) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended to read as follows:

"(2)(A) There are authorized to be appropriated to the Commission for necessary expenses (including the rental of conference rooms in the District of Columbia and elsewhere) not to exceed the following:

"(i) $45,152,000 for fiscal year 1993.

"(ii) $48,042,000 for fiscal year 1994.

"(B) Not to exceed $2,500 of the amount authorized to be appropriated for any fiscal year under subparagraph (A) may be used, subject to the approval of the Chairman of the Commission, for reception and entertainment expenses.

"(C) No part of any sum that is appropriated under the authority of subparagraph (A) may be used by the Commission in the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.".

(b) UNITED STATES CUSTOMS SERVICE.—Section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)) is amended to read as follows:

"(b) AUTHORIZATION OF APPROPRIATIONS.—

"(1) FOR NONCOMMERCIAL OPERATIONS.—There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in noncommercial operations not to exceed the following:

"(A) $536,582,000 for fiscal year 1993.

"(B) $552,680,000 for fiscal year 1994.

"(2) FOR COMMERCIAL OPERATIONS.—(A) There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in commercial operations not less than the following:

"(i) $790,505,000 for fiscal year 1993.

"(ii) $814,221,000 for fiscal year 1994.

"(B) The monies authorized to be appropriated under subparagraph (A) for any fiscal year, except for such sums as may be necessary for the salaries and expenses of the Customs Service that are incurred in connection with the processing of merchandise that is exempt from the fees imposed under section 13031(a)(9) and (10) of the Consolidated Omnibus Budget Reconciliation Act of 1985, shall be appropriated from the Customs User Fee Account.

"(3) FOR AIR INTERDICTION.—There are authorized to be appropriated for the operation (including salaries and expenses) and maintenance of the air interdiction program of the Customs Service not to exceed the following:

"(A) $138,983,000 for fiscal year 1993.

"(B) $143,152,000 for fiscal year 1994.".

(c) OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE.—Section 141(g)(1) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)) is amended to read as follows:

"(g)(1)(A) There are authorized to be appropriated to the Office for the purposes of carrying out its functions not to exceed the following:

"(i) $21,697,000 for fiscal year 1993.

"(ii) $22,435,000 for fiscal year 1994.

"(B) Of the amounts authorized to be appropriated under subparagraph (A) for any fiscal year—

"(i) not to exceed $98,000 may be used for entertainment and representation expenses of the Office; and

"(ii) not to exceed $2,500,000 shall remain available until expended.".

SEC. 302. CUSTOMS FORFEITURE FUND.

Section 613A(f)(2)(B) of the Tariff Act of 1930 (relating to certain authorized expenditure from the Customs Forfeiture Fund) is amended to read as follows:

"(B) Of the amount authorized to be appropriated under subparagraph (A), not to exceed the following shall be available to carry out the purposes set forth in subsection (a)(2):

"(i) $15,000,000 for fiscal year 1993.

"(ii) $15,450,000 for fiscal year 1994.".

SEC. 303. REPEAL OF EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

(a) REPEAL.—Section 410 of the Trade Act of 1974 (19 U.S.C. 2440) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents for such Act of 1974 is amended by striking out the following:

"Sec. 410. East-West Trade Statistics Monitoring System.".

SEC. 304. FEES FOR CERTAIN CUSTOMS SERVICES.

Section 13031(b)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(A)) is amended—

(1) by striking out "centralized hub facility or" in clause (i); and

(2) by amending clause (ii)—

(A) by striking out "facility—" and inserting "facility or centralized hub facility—",

(B) by striking out "customs inspectional" in subclause (I), and

(C) by striking out "at" in subclause (I) and inserting "for".

SEC. 305. CUSTOMS PERSONNEL AIRPORT WORK SHIFT REGULATION.

Section 13031(g) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(g)) is amended—

(1) by striking out "In addition to the regulations required under paragraph (2), the" and inserting "The";

(2) by striking out paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

TITLE IV—OTHER TRADE PROVISIONS

Subtitle A—Nontariff Provisions

CHAPTER 1—MISCELLANEOUS NONTARIFF PROVISIONS

SEC. 401. MARKET DISRUPTION.

Section 406 of the Trade Act of 1974 (19 U.S.C. 2436) is amended as follows:

(1) Subsection (a)(1) is amended by inserting "or a country with a state-controlled economy" after "which is the product of a Communist country".

(2) Subsection (b)(2) is amended—

(A) by striking out "and" at the end of subparagraph (A);

(B) by striking out the period at the end of subparagraph (B) and inserting a semicolon; and

(C) by adding after subparagraph (B) the following new subparagraphs:

"(C) the President may alter the form of relief recommended by the Commission if such alternative relief is equivalent to that recommended by the Commission; and

"(D) the President shall provide the relief recommended by the Commission, or equivalent relief as provided for in subparagraph (C), unless he determines such relief would seriously impair the national security of the United States.".

(3) Subsection (c) is amended by inserting "or a country with a state-controlled economy" after "the product of a Communist country".

(4) Subsection (e) is amended—

(A) by redesignating paragraph (2) as paragraph (3), and

(B) by inserting the following new paragraph (2):

"(2) The phrase 'country with a state-controlled economy' means a country regarding which the President, or his designee, determines that the state controls the economy. In making any such determination, the President shall consider, among other factors, whether the country has an economy in which—

"(A) private property has not been instituted,

"(B) a legal system to enhance economic efficiency and to specify and enforce property rights has not been instituted,

"(C) regulatory reform to enhance microeconomic flexibility and economic efficiency has not been instituted,

"(D) price liberalization and market formation of scarcity prices has not been implemented,

"(E) a convertible currency has not been established,

"(F) a competitive capital market to allocate savings efficiently has not been implemented, and

"(G) a labor market strategy to create a highly mobile labor force that can react to price signals has not been implemented.".

(5) The following new subsection is added at the end:

"(f) For the purposes of subsection (e)(2), the President or his designee shall promptly publish a list of countries determined to be countries with state-controlled economies and shall periodically revise the list when considered appropriate.".

SEC. 402. END-USE CERTIFICATES.

(a) IN GENERAL.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall implement a program requiring that end-use certificates be included in the documentation covering the entry into, or the withdrawal from warehouse for consumption in, the customs territory of the United States of any wheat or barley that is a product of any foreign country or instrumentality that requires end-use certificates for imports of wheat or barley that is a product of the United States.

(b) REGULATIONS.—The Secretary shall prescribe such requirements regarding the information to be included in end-use certificates as may be necessary and appropriate to carry out this section.

(c) PRODUCER PROTECTION.—

(1) DETERMINATION.—At any time after the close of the 18-month period beginning on the date of the implementation of the program under subsection (a), the Secretary may, subject to paragraph (2), suspend the operations of such program upon making a determination that the program has directly resulted in—

(A) the reduction of income to United States producers of agricultural commodities; or

(B) the reduction of competitiveness of United States agricultural commodities in the world export markets.

(2) PERIOD FOR CONGRESSIONAL REVIEW.—The Secretary may not suspend the operations of the program established under subsection (a) before the close of the 90-day period beginning on the date on which the report under subsection (d) is submitted to Congress. Such 90-day period shall be computed by excluding the days described in section 154(b)(1) and (2) of the Trade Act of 1974 (19 U.S.C. 2194(b)(1) and (2)).

(d) REPORT TO CONGRESS.—Prior to suspending the program implemented under subsection (a) pursuant to a determination made under subsection (c)(1), the Secretary shall submit a report to the Congress detailing the determination made under subsection (c)(1) and the reasons for making such determination.

SEC. 403. NEGOTIATIONS ON ANTICOMPETITIVE PRACTICES.

As soon as practicable, the President shall enter into negotiations for the purpose of concluding trade agreements that—

(1) eliminate the adverse effects of private anticompetitive practices on international trade;

(2) harmonize national laws on competition policy, and the implementation of those laws as they relate to international trade;

(3) establish mechanisms for the effective enforcement across national boundaries of national laws on competition policy as they relate to international trade; and

(4) make the General Agreement on Tariffs and Trade compatible with these new agreements and United States law on competition policy.

The President shall no later than March 31, 1993, submit to the Congress a written report on the status of such negotiations.

SEC. 404. MACHINE TOOL IMPORT ARRANGEMENTS.

(a) IN GENERAL.—Section 1501(c) of the Omnibus Trade and Competitiveness Act of 1988 is amended—

(1) by striking "The Secretary of Commerce is authorized to request the Secretary of the Treasury to" in the first sentence of paragraph (1) and inserting "The Secretary of the Treasury shall, at the request of the Secretary of Commerce,";

(2) by inserting after the first sentence in paragraph (1) the following new sentence: "Notwithstanding any other provision of law, until a bilateral agreement is negotiated with Taiwan pursuant to the President's December 27, 1991, decision, the Secretary of the Treasury shall enforce the quantitative limitations and other provisions of bilateral arrangement negotiated with Taiwan in effect on December 31, 1991, pursuant to the President's machine tool decision of May 20, 1986."; and

(3) by inserting ", and December 27, 1991" after "May 20, 1986" each place it appears.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that any bilateral agreement negotiated with Taiwan pursuant to the President's December 27, 1991, decision shall be effective for 2 years from the date it is signed.

SEC. 405. SIMPLIFICATION OF CERTAIN UNITED STATES INTERNATIONAL TRADE LAWS.

(a) REPORT.—Before January 1, 1994, the United States International Trade Commission shall prepare and submit to the Congress a report that contains suggested legislative proposals for consolidating and simplifying the international trade laws of the United States. The objectives that the Commission should seek to achieve in preparing the suggested legislative proposals include, but are not limited to—

(1) the logical arrangement of provisions;

(2) the elimination of anomalous, duplicative, and illogical existing provisions;

(3) simplification of language; and

(4) no substantive or procedural change from existing provisions.

(b) DEFINITION OF INTERNATIONAL TRADE LAWS.—For purposes of subsection (a), the international trade laws of the United States are those laws of the United States (other than the Harmonized Tariff Schedule of the United States) under which tariffs or quantitative or other restrictions may be imposed on goods imported into the United States, including title VII of the Tariff Act of 1930 (relating to the imposition of countervailing and antidumping duties), section 337 of such Act (relating to the exclusion of goods found to be used in unfair methods of competition or unfair acts in importation), section 338 of such Act (relating to the imposition of additional duties in response to discriminatory trade actions by foreign country), and title III of the Trade Act of 1974 (relating to the enforcement of United States rights under trade agreements and responses to certain foreign trade practices).

SEC. 406. CONGRESSIONAL RESEARCH SERVICE SPECIAL TRADE UNIT.

Within 120 days after the date of the enactment of this Act, the Director of the Congressional Research Service shall make recommendations to the Congress concerning the establishment of a special unit that would—

(1) integrate the capabilities and resources of the Congressional Research Service, the International Trade Commission, and other appropriate agencies; and

(2) serve as a central and objective source of information and analysis for the Congress on data and trends in trade between the United States and foreign countries.

SEC. 407. REPORT REGARDING SECONDARY ARAB LEAGUE BOYCOTT.

It is the sense of the Congress that boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person are discriminatory trade barriers to international trade, and that the United States should encourage major trading nations of the world engaged in the export of goods or technology to refuse to take action which would have the effect of furthering or supporting boycotts imposed by any foreign country or association against a country friendly to the United States or against any United States person. In view of the foregoing, the United States Trade Representative is commended for including the Arab boycott in the 1992 National Trade Estimate Report on Foreign Trade Barriers that is required under section 181 of the Trade Act of 1974, but should expand the boycott provision within such report—

(1) to include a country-by-country analysis on the extent to which each government permits or encourages companies in that country to comply with the secondary Arab boycott of United States companies;

(2) to identify the activities of specific governments of these countries to enforce the boycott; and

(3) to discuss the differences in how countries blacklist companies and enforce the boycott.

CHAPTER 2—IMPORT SANCTIONS TO CONTROL NUCLEAR PROLIFERATION

SEC. 411. SHORT TITLE.

This chapter may be cited as the "Omnibus Nuclear Proliferation Control Act of 1992".

SEC. 412. IMPOSITION OF SANCTIONS.

(a) DETERMINATION BY THE PRESIDENT.—

(1) IN GENERAL.—Except as provided in subsection (b)(2), the President shall impose the sanction described in subsection (c) if the President determines that a foreign person, on or after the date of the enactment of this section, has materially and with requisite knowledge contributed—

(A) through the export from the United States of any goods or technology that are subject to the jurisdiction of the United States, or

(B) through the export from any other country of any goods or technology that would be, if they were exported from the United States, subject to the jurisdiction of the United States,

to the efforts by any individual, group, or nonnuclear-weapon state to acquire unsafeguarded special nuclear material or to use, develop, produce, stockpile, or otherwise acquire any nuclear explosive device, whether or not the goods or technology is specifically designed or modified for such purpose.

(2) PERSONS AGAINST WHICH SANCTIONS ARE TO BE IMPOSED.—A sanction shall be imposed pursuant to paragraph (1) on—

(A) the foreign person with respect to which the President makes the determination described in that paragraph;

(B) any successor entity to that foreign person;

(C) any foreign person that is a parent or subsidiary of that person if that parent or subsidiary materially and with requisite knowledge assisted in the activities which were the basis of that determination; and

(D) any foreign person that is an affiliate of that person if that affiliate materially and with requisite knowledge assisted in the activities which were the basis of that determination and if that affiliate is controlled in fact by that foreign person.

(3) OTHER SANCTIONS AVAILABLE.—The sanction which may be imposed for activities described in this subsection is in addition to any other sanction which may be imposed for the same activities under any other provision of law.

(4) DEFINITION.—For purposes of this subsection, the term "requisite knowledge" means situations in which a person "knows", as "knowing" is defined in section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2).

(b) CONSULTATION WITH AND ACTIONS BY FOREIGN GOVERNMENT OF JURISDICTION.—

(1) CONSULTATIONS.—If the President makes the determinations described in subsection (a)(1) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of the sanction pursuant to this section.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of the sanction pursuant to this section for up to 90 days. Following these consultations, the President shall impose the sanction unless the President determines and certifies to the Congress that that government has taken specific and effective actions, including appropriate penalties, to terminate the involvement of the foreign person in the activities described in subsection (a)(1). The President may delay the imposition of the sanction for up to an additional 90 days if the President determines and certifies to the Congress that that government is in the process of taking the actions described in the previous sentence.

(3) REPORT TO CONGRESS.—Not later than 90 days after making a determination under subsection (a)(1), the President shall submit to the Committee on Foreign Relations, and the Committee on Finance of the Senate, and to the Committee on Foreign Affairs and the Committee on Ways and Means of the House of Representatives a report on the status of consultations with the appropriate government under this subsection, and the basis for any determination under paragraph (2) of this subsection that such government has taken specific corrective actions.

(c) SANCTION.—

(1) DESCRIPTION OF SANCTION ON FOREIGN PERSONS.—The sanction to be imposed on a foreign person pursuant to subsection (a)(1) is, except as provided in paragraph (2) of this subsection, that the importation into the United States of products produced by any foreign person or any parent, subsidiary, affiliate, or successor entity thereof, as described in subsection (a)(2), shall be prohibited.

(2) EXCEPTIONS.—The President shall not be required to apply or maintain the sanction under this section—

(A) in the case of the importation of defense articles or defense services—

(i) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy operational military requirements of the United States, the North At-

lantic Treaty Organization (NATO), or major allies who are not members of NATO;

(ii) if the President determines that the person or other entity to which the sanction would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(iii) if the President determines that such articles or services are essential to the national security under defense coproduction agreements;

(B) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose sanctions;

(C) to—

(i) spare parts which are essential to United States products or production,

(ii) component parts, but not finished products, essential to United States products or production, or

(iii) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(D) to information and technology essential to United States products or production; or

(E) to medical or other humanitarian items.

(d) TERMINATION OF SANCTION.—The sanction imposed pursuant to this section shall apply for a period of at least 12 months following the imposition of the sanction and shall cease to apply thereafter only if the President determines and certifies to the Congress that—

(1) reliable information indicates that the foreign person with respect to which the determination was made under subsection (a)(1) has ceased to aid or abet any individual, group, or non-nuclear-weapon state in its efforts to acquire unsafeguarded special nuclear material or any nuclear explosive device, as described in that subsection; and

(2) the President has received reliable assurances from the foreign person that such person will not, in the future, aid or abet any individual, group, or non-nuclear-weapon state in its efforts to acquire unsafeguarded special nuclear material or any nuclear explosive device, as described in subsection (a)(1).

(e) WAIVER.—

(1) CRITERION FOR WAIVER.—The President may waive the application of any sanction imposed on any person pursuant to this section, after the end of the 12-month period beginning on the date on which that sanction was imposed on that person, if the President determines and certifies to the Congress that the continued imposition of the sanction would have a serious adverse effect on vital United States interests.

(2) NOTIFICATION OF AND REPORT TO CONGRESS.—If the President decides to exercise the waiver authority provided in paragraph (1), the President shall so notify the Congress not less than 20 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to exercise the waiver authority.

SEC. 413. DEFINITIONS.

For purposes of this chapter—

(1) the term "foreign person" means—

(A) an individual who is not a citizen of the United States or an alien admitted for permanent residence to the United States; or

(B) a corporation, partnership, or other non-government entity which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States;

(2) the term "goods or technology" means nuclear materials and equipment and sensitive nuclear technology (as defined in section 4 of the Nuclear Non-Proliferation Act of 1978), all export items designated by the President pursuant to section 309(c) of such Act, and all technical assistance requiring authorization under section 57b. of the Atomic Energy Act of 1954;

(3) the term "IAEA safeguards" means the safeguards set forth in an agreement between a country and the International Atomic Energy Agency, as authorized by Article III(A)(5) of the Statute of the International Atomic Energy Agency;

(4) the term "nuclear explosive device" means any device that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT);

(5) the term "non-nuclear-weapon state" means any country which is not a nuclear-weapon state, as defined by Article IX (3) of the Treaty on the Non-Proliferation of Nuclear Weapons, signed at Washington, London, and Moscow on July 1, 1968;

(6) the term "special nuclear material" has the meaning given to that term by section 11aa. of the Atomic Energy Act of 1954 (42 U.S.C. 2014aa); and

(7) the term "unsafeguarded special nuclear material" means special nuclear material which is held in violation of IAEA safeguards or not subject to IAEA safeguards (excluding any quantity of material that could, if it were exported from the United States, be exported under a general license issued by the Nuclear Regulatory Commission).

Subtitle B—Foreign Subsidies and Countervailing and Antidumping Duty Amendments

SEC. 421. ADMINISTRATIVE REVIEW OF DETERMINATIONS.

Section 751 of the Tariff Act of 1930 (19 U.S.C. 1675) is amended by inserting at the end of subsection (a)(1) the following: "The review must be completed by the 270th day after the day on which the request for the review was received by the administering authority.".

SEC. 422. MATERIAL INJURY.

(a) LONG LEAD TIME FACTOR.—The last sentence of section 771(7)(C)(iii) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iii)) is amended by inserting ", including contracts with long lead time," after "competition".

(b) DETERMINATION OF THREAT OF INJURY.—Section 771(7)(C) of such Act is amended—

(1) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively, and

(2) by inserting after clause (ii) the following new clause:

"(iii) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under this subparagraph shall not necessarily give decisive guidance with respect to the determination by the Commission of the threat of material injury.".

SEC. 423. DUAL PRICING OF INPUTS.

Section 773(a)(4) of the Tariff Act of 1930 (19 U.S.C. 1677b(a)(4)) is amended by adding at the end the following new sentence: "No allowance shall be made to account for differences in input costs that are based on whether the end product made from the input is sold in the home market or exported.".

SEC. 424. REPORT, AND ACCESS TO DATA, REGARDING COUNTERVAILING AND ANTIDUMPING DUTY COLLECTIONS.

Section 777(a) of the Tariff Act of 1930 (19 U.S.C. 1677f(a)) is amended by adding at the end the following:

"(5) REPORT, AND ACCESS TO DATA, REGARDING COLLECTIONS.—

"(A) ANNUAL REPORT ON COLLECTIONS.—Not later than 60 days after the close of each calendar year, the United States Custom Service shall prepare and transmit to the administering authority a report setting forth the amount of duties collected during that calendar year under each countervailing duty order and antidumping duty order.

"(B) ACCESS TO COLLECTION DATA.—Upon receipt of an application from an interested party that initiated a petition that resulted in a countervailing duty order or antidumping duty order, the administering authority shall make available the data regarding the payment of duties under the order. Subsection (c) applies to the disclosure of any such data that is proprietary information.".

SEC. 425. PREVENTION OF CIRCUMVENTION OR DIVERSION OF ANTIDUMPING AND COUNTERVAILING DUTY ORDERS.

(a) MERCHANDISE COMPLETED OR ASSEMBLED IN THE UNITED STATES.—Section 781(a) of the Tariff Act of 1930 (19 U.S.C. 1677j(a)) is amended to read as follows:

"(a) MERCHANDISE COMPLETED OR ASSEMBLED IN THE UNITED STATES.—

"(1) IN GENERAL.— In determining whether imported parts or components are circumventing an antidumping or countervailing duty order or finding and whether to include such parts or components in that order or finding, the administering authority shall consider—

"(A) the pattern of trade,

"(B) the value and sources of supply of parts or components historically used in completion or assembly of the merchandise subject to an antidumping or countervailing duty order,

"(C) whether the manufacturer or exporter of the parts or components is related to the person who assembles or completes the merchandise sold in the United States from the parts or components produced in the foreign country with respect to which the order or finding described in paragraph (2) applies, and

"(D) whether imports into the United States of the parts or components produced in such foreign country have increased after the issuance of such order or finding.

"(2) MERCHANDISE THAT MAY BE INCLUDED IN ORDER OR FINDING.—If—

"(A) merchandise sold in the United States is of the same class or kind as any other merchandise that is the subject of—

"(i) an antidumping duty order issued under section 736,

"(ii) a finding issued under the Antidumping Act, 1921, or

"(iii) a countervailing duty order issued under section 706 or 303,

"(B)(i) such merchandise sold in the United States is completed or assembled in the United States from parts or components supplied by the exporter or producer with respect to which such order or finding applies, from suppliers that have historically supplied the parts or components to that exporter or producer, or from any party in the exporting country supplying parts or components on behalf of such an exporter or producer, and

"(ii) the value of the imported parts and components referred to in clause (i), whether considered individually or collectively, is significant in relation to the total value of all parts and components used in the assembly or completion operation, excluding packing, of the imported merchandise covered by the order or finding, or

"(C) consideration of the factors set forth in paragraph (1) otherwise establishes a pattern of circumvention with the effect of evading an antidumping or countervailing duty order or finding,

the administering authority, after taking into account any advice provided by the Commission under subsection (e), may include within the scope of such order or finding the imported parts or components referred to in subparagraph (B) that are used in the completion or assembly of the merchandise in the United States at any time such order or finding is in effect.".

(b) MERCHANDISE COMPLETED OR ASSEMBLED IN OTHER FOREIGN COUNTRIES.—Section 781(b) of the Tariff Act of 1930 (19 U.S.C. 1677j(b)) is amended to read as follows:

"(b) MERCHANDISE COMPLETED OR ASSEMBLED IN OTHER FOREIGN COUNTRIES.—

"(1) IN GENERAL.—In determining whether merchandise completed or assembled in a foreign country is circumventing an antidumping or countervailing duty order or finding and whether to include such merchandise in that order or finding, the administering authority shall consider—

"(A) the pattern of trade,

"(B) the value and sources of supply of parts or components historically used in completion or assembly of the merchandise subject to an antidumping or countervailing duty order,

"(C) whether the manufacturer or exporter of the merchandise described in paragraph (2)(B) is related to the person who uses the merchandise described in paragraph (2)(B) to assemble or complete in the foreign country the merchandise that is subsequently imported into the United States, and

"(D) whether imports into the foreign country of the merchandise described in paragraph (2)(B) have increased after the issuance of such order or finding.

"(2) MERCHANDISE THAT MAY BE INCLUDED IN ORDER OR FINDING.—If—

"(A) merchandise imported into the United States is either of the same class or kind or incorporates an essential component that is of the same class or kind as merchandise produced in a foreign country that is the subject of—

"(i) an antidumping duty order issued under section 736,

"(ii) a finding issued under the Antidumping Act, 1921, or

"(iii) a countervailing duty order issued under section 706 or section 303; and

"(B)(i)(I) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to such order or finding, is produced in the foreign country with respect to which such order or finding applies, or is supplied by the exporter or producer with respect to which such order or finding applies, or by suppliers that have historically supplied the parts or components to that exporter or producer, and

"(II) the merchandise referred to in subclause (I) which is used in the assembly or completion of the imported merchandise has a value that is significant in relation to the total value of all parts or components used in the assembly or completion operation, excluding packing, or

"(ii) consideration of the factors set forth in paragraph (1) otherwise establishes a pattern of circumvention with the effect of evading a countervailing or antidumping duty order or finding, and

"(C) the administering authority determines that action is appropriate under this paragraph to prevent evasion of such order or finding,

the administering authority, after taking into account any advice provided by the Commission under subsection (e), may include such imported merchandise within the scope of such order or finding at any time such order or finding is in effect.".

(c) CONSTRUCTION PROVISION.—Section 781 of the Tariff Act of 1930 (19 U.S.C. 1677j) is amended by adding at the end the following new subsection:

"(f) CONSTRUCTION PROVISION.—Nothing in this title shall be deemed to limit the authority of the administering authority to include provisions in any final order issued pursuant to—

"(1) an antidumping duty order issued under section 736,

"(2) a finding issued under the Antidumping Act, 1921, or

"(3) a countervailing duty order issued under section 706 or section 303,

the purpose of which is to prevent the evasion of any remedy provided for in such finding or order or to otherwise safeguard the integrity of such finding or order.".

SEC. 426. STUDY BY THE ADMINISTERING AUTHORITIES ON WAYS TO SIMPLIFY INITIATION OF COUNTERVAILING AND ANTIDUMPING DUTY ACTIONS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Commerce and the International Trade Commission shall transmit to the Congress a study, including recommendations, regarding the modification of standards applicable to the initiation of countervailing and antidumping duty actions in order to make petitioning for such initiations less costly and more accessible for domestic petitioners. In conducting such study, the Secretary and the Commission shall give due consideration to the obligations of the United States under international trade agreements.

SEC. 427. REPORTS BY UNITED STATES TRADE REPRESENTATIVE ON OPERATION OF COMMERCIAL AIRCRAFT AGREEMENT.

(a) GENERAL REQUIREMENT.—The United States Trade Representative shall submit to the Congress a report on the operation of the Agreement Concerning the Application of the GATT Agreement on Trade in Civil Aircraft (in this section referred to as the "Agreement"), entered into between the United States and the European Community—

(1) before the expiration of the 60-day period beginning on the date of the enactment of this Act; and

(2) not later than March 31, 1993, and March 31 of each succeeding year that the Agreement is in effect.

(b) CONTENTS.—Each report required by this section shall describe—

(1) the operation of the Agreement, including—

(A) a full listing of all subsidies or other assistance provided to the aerospace industry, directly or indirectly, by the nations of the European Community that are parties to the Agreement; and

(B) an analysis of any beneficial effect of the Agreement with respect to the United States aerospace industry; and

(2) any subsidies provided by the European Space Agency to Arianespace in the field of commercial launch services.

SEC. 428. INTERNATIONAL TRADE AGREEMENTS ON ANTIDUMPING.

It is the sense of the Congress that the President should not enter into any international trade agreement on antidumping requiring changes in United States antidumping laws which would reduce the effectiveness of such laws as a remedy against injurious dumped imports. In this regard, the Congress strongly urges the President to review carefully the provisions on antidumping contained in the Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations proposed by the Director-General of the General Agreement on Tariffs and Trade on December 21, 1991, and to seek those changes in such provisions that are necessary to maintain and to strengthen the effectiveness of United States antidumping laws, including, but not limited to, changes in the provisions dealing with cumulation of injury and dispute settlement.

SEC. 429. TRADE DISTORTING SUBSIDIES BY FOREIGN GOVERNMENTS.

It is the sense of the Congress that the United States Government should not, as a matter of official policy, condone or legitimize the use by foreign governments of trade distorting subsidies, including development subsidies, that cause material injury to industries in the United States.

SEC. 430. NONMARKET ECONOMY COUNTRY ANTIDUMPING INVESTIGATIONS.

If, in any antidumping proceeding involving merchandise from a nonmarket economy country, the administering authority finds that the conditions set forth in paragraph (1)(A) and (B) of subsection (c) of section 773 of the Tariff Act of 1930 (19 U.S.C. 1677b(c)(1)) exist, the administering authority shall determine the foreign market value of such merchandise as prescribed by such subsection (c) on the basis of the value of all factors of production in the appropriate country or countries selected pursuant to paragraph (4) of such subsection (c), if such information is available. To the extent that any final determination made since August 23, 1988 (date of the enactment of the Omnibus Trade and Competitiveness Act of 1988), is contrary to this requirement and is under judicial review on the effective date of this Act, the administering authority shall take appropriate steps to resolve such litigation in accordance with the previous sentence.

SEC. 431. MATERIAL INJURY.

Section 771(7)(C) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)) (as amended by section 422 of this subtitle) is amended by adding at the end of clause (iv) the following new sentences: "Where actual decline or actual negative effect under subclause (I), (III), or (IV), as appropriate, is sufficient to warrant an affirmative determination, the Commission need not evaluate potential decline or potential negative effect under such subclauses. In subclause (I), the term 'potential decline' means the decline that can be reasonably deduced by comparing actual performance to the performance that could have been expected but for the economic factors (including unfairly traded imports) which have a bearing on the state of the industry. In subclauses (III) and (IV), the term 'potential negative effects' means the adverse effects that can be reasonably deduced by comparing actual performance to the performance that could have been expected but for the economic factors (including unfairly traded imports) which have a bearing on the state of the industry.".

SEC. 432. THREAT OF INJURY STANDARD.

Section 771(7)(F)(i) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(F)(i)) is amended—

(1) in subclause (IX), by striking the period at the end and inserting a comma;

(2) in subclause (X), by striking the period at the end and inserting ", and"; and

(3) by adding at the end the following:

"(XI) the actual and potential decline in order backlog of the domestic industry.

For purposes of this subparagraph, the Commission shall consider monthly or quarterly trend information during the 12 months preceding the filing of the petition. In considering such information, the Commission shall not make a negative determination based on postinitiation changes in trends where trends to the time of filing would support an affirmative determination.".

SEC. 433. PRINCIPAL TRADE NEGOTIATING OBJECTIVES OF THE UNITED STATES CONCERNING DISPUTE SETTLEMENT MECHANISMS WITH RESPECT TO UNITED STATES COUNTERVAILING DUTY AND ANTIDUMPING ACTIONS.

Section 1101(b)(1) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2901) is amended—

(1) by striking "The principal" and inserting "(A) Subject to subparagraph (B), the principal";

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(3) by adding at the end the following new subparagraph:

"(B) With respect to review of countervailing duty and antidumping duty actions taken by a signatory to the General Agreement on Tariffs and Trade (GATT) under its national laws, the dispute settlement mechanisms and procedures described in subparagraph (A) shall not allow—

"(i) the review of issues that were not properly presented to the investigating authorities for resolution during the administrative proceeding conducted under such laws;

"(ii) the review of issues before the conclusion of the administrative proceeding conducted under such laws;

"(iii) the conducting of an independent de novo investigation of the circumstances leading to such actions; and

"(iv) where a signatory to the GATT provides for the administrative or judicial review, by an independent body, of factual issues with respect to countervailing duty and antidumping actions, the extension of the review beyond whether the laws and regulations of that signatory, and the interpretation of such laws and regulations by that signatory, are consistent with the General Agreement on Tariffs and Trade.

In reaching the principal negotiating objectives described in subparagraph (A), all necessary actions shall be taken to promote strong and effective limitations on the scope of and standards applicable to any review of countervailing duty or antidumping duty actions under the dispute settlement mechanisms and procedures described in such subparagraph.".

SEC. 434. CHANGE IN EFFECTIVE DATE FOR CERTAIN ADMINISTRATIVE REVIEWS.

Section 1337(c) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 1671 note) is amended to read as follows:

"(c) INVESTIGATIONS AND REVIEW AFTER ENACTMENT.—(1) The amendments made by sections 1324 and 1330 shall only apply with respect to—

"(A) investigations initiated after the date of the enactment of this Act, and

"(B) reviews initiated under section 736(c) or 751 of the Tariff Act of 1930 with respect to merchandise which—

"(i) is the product of any country that is a party to a free trade agreement with the United States which entered into force and effect before January 1, 1987, and

"(ii) was the subject of an investigation initiated on or after the date of the enactment of the United States-Israel Free Trade Agreement Implementation Act.

"(2) In reviews in which the amendments made by sections 1324 and 1330 apply only as a result of the enactment of paragraph (1), such enactment shall be deemed to constitute changed circumstances sufficient to warrant review with respect to investigations initiated before the date of the enactment of this Act.".

Subtitle C—Other Tariff Provisions

SEC. 441. GENERALIZED SYSTEM OF PREFERENCES.

(a) TREATMENT OF REPUBLICS FORMERLY WITHIN THE SOVIET UNION.—The table in section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended by striking out "Union of Soviet Socialist Republics".

(b) ELIGIBLE ARTICLES.—Section 503 of the Trade Act of 1974 (19 U.S.C. 2463) is amended—

(1) by amending subsection (c)(1)—

(A) by striking out "and" at the end of subparagraph (F),

(B) by redesignating subparagraph (G) as subparagraph (H), and

(C) by inserting after subparagraph (F) the following new subparagraph:

"(G) any agricultural article the importation of which will render ineffective, or materially interfere with, a loan or purchase program of, or other industry-wide operation of, the Department of Agriculture, and"; and

(2) by adding at the end the following new subsection:

"(d)(1) The President shall prescribe procedures under which articles may be granted eligible article status, including procedures under which interested persons may submit petitions requesting that articles be granted such status.

"(2) If—

"(A) an article is denied eligible article status under this title, or

"(B) a petition requesting such status for the article is withdrawn,

then eligible article status may not be granted to the article under this title any sooner than the 3rd anniversary of the date on which such denial or withdrawal occurred.".

SEC. 442. IMPLEMENTATION OF ANNEX D OF THE NAIROBI PROTOCOL.

(a) IN GENERAL.—U.S. Note 6 of subchapter X of chapter 98 of the Harmonized Tariff Schedule of the United States is amended as follows:

(1) Paragraphs (a) and (b) are amended to read as follows:

"(a) For the purposes of subheading 9810.00.60 and its superior text—

"(i) the term 'scientific' means pertaining to the physical or life sciences and, unless otherwise precluded by the terms of this note, to applied sciences, but excluding therapeutic and diagnostic applications, other specialized applications, skills, knowledge or uses pertaining solely to or developed principally for commerce, business or professional or vocational training; and

"(ii) the term 'instruments and apparatus' means devices, instruments, machines or similar contrivances specially designed for generating data useful for scientific experimentation or research or for collecting information therefrom, by means of sensing, analyzing, measuring, classifying, recording, separating, or similar operations; but the term does not include instruments and apparatus principally used in the production of merchandise, ordinary equipment suitable for use in building construction or maintenance, or equipment or materials of the type used in the supporting activities of the applicant institution or its administrative, eating, residential, or religious facilities.

"(b) An institution desiring to enter an article under subheading 9810.00.60 shall make an application therefor to the Secretary of Commerce that shall include, in addition to such other information as may be prescribed by regulation—

"(i) a description of the apparatus or instrument,

"(ii) a statement of the purpose for which the instrument or apparatus is intended to be used,

"(iii) the basis for the institution's belief that no instrument or apparatus of equivalent scientific value for that purpose is being manufactured in the United States, and

"(iv) a statement that the institution either has already placed a bona fide order for such instrument or apparatus or has a firm intention, in the event of favorable action on its application, to place an order therefor on or before the final day specified in paragraph (f) of this U.S. note.

If the Secretary considers that the instrument or apparatus covered by an application, and the purpose intended by the applicant for such instrument or apparatus, are in accordance with this U.S. note and pertinent regulations, the Secretary shall regard the instrument or apparatus as eligible for further consideration under this U.S. note and shall promptly forward a copy of the application to the Secretary of Health and Human Services. If, at any time while its application is under consideration by the Secretary of Commerce or on appeal from a finding by the Secretary before the United States Court of Appeals for the Federal Circuit, an institution cancels an order for the instrument or apparatus covered by its application, or if it no longer has a firm intention to order such instrument or apparatus, it shall promptly so notify the Secretary or the Court, as the case may be.".

(2) Paragraph (f) is repealed.

(3) Paragraphs (c) through (e) are redesignated as paragraphs (e) through (g), respectively, and the following new paragraphs are inserted after paragraph (b):

"(c) Notwithstanding U.S. note 1 to this subchapter, an instrument or apparatus found otherwise eligible for duty-free entry under this U.S. note shall not be disqualified on the basis of commercial use if—

"(i) such use comprises shared instrumentation, funding, or research under joint venture, consortium or other cooperative arrangement between a qualifying institution and one or more private participants provided that the qualifying institution retains title and control of the instrument or apparatus and retains control over publication or research results. An agreement to delay publication for a reasonable period to allow for timely filing of patent applications shall not be deemed relinquishment of control over publication, or

"(ii) a qualifying institution patents or otherwise commercializes its research results.

"(d) The applicant institution shall have the burden of proving the eligibility of an instrument or apparatus under this U.S. note, including the burden of proving that no instrument or apparatus of equivalent scientific value for that purpose is being manufactured in the United States.".

(4) Paragraph (e) (as redesignated by paragraph (3) of this subsection) is further amended—

(A) by striking out "Upon receipt of the application, the Secretary of Commerce" and inserting "If the Secretary of Commerce considers that an application made under paragraph (b) meets all the requirements of that paragraph, the Secretary";

(B) by amending the penultimate sentence to read as follows: "Each finding by the Secretary of Commerce under this paragraph shall be promptly certified to the Secretary of the Treasury and reported to the applicant institution."; and

(C) by striking out "of the Treasury" in the last sentence.

(5) The following new paragraph (h) is inserted at the end:

"(h) The Secretary of Commerce may prescribe regulations to carry out the functions under this U.S. note.".

(b) RELATED AMENDMENTS.—Subchapter X of chapter 98 of such Schedule is further amended—

(1) by striking "this U.S. note" in U.S. Note 1 thereto and inserting "this U.S. note and U.S. note 6 to this subchapter";

(2) by amending the superior text to subheadings 9810.00.60 through 9810.00.67 to read as follows: "Articles entered for the use of any nonprofit institution established for educational or scientific purposes or for the use of any governmental entity:"; and

(3) by amending the article description of subheading 9810.00.60 to read as follows: "Scientific instruments and apparatus, if no instrument or apparatus of equivalent scientific value for the purposes for which the instrument or apparatus is intended to be used is being manufactured in the United States, certified by the Secretary of Commerce under the terms of U.S. note 6 to this subchapter".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to any article that is—

(1) certified by the Secretary of Commerce on the basis of an application filed under U.S. Note 6 to subchapter X of chapter 98 of such Sched-

ule, on or after the 60th day after the date of enactment of this Act, and

(2) entered, or withdrawn from warehouse for consumption, on or after such 60th day.

SEC. 443. MISCELLANEOUS TARIFF PROVISIONS.

(a) REFERENCE.—Whenever in this section an amendment is expressed in terms of an amendment to a chapter, subchapter, additional U.S. note, heading, subheading, or other provision, the reference shall be considered to be made to a chapter, subchapter, additional U.S. note, heading, subheading, or other provision of the Harmonized Tariff Schedule of the United States.

(b) CERTAIN MOTOR FUEL AND MOTOR FUEL BLENDING STOCK.—

(1) IN GENERAL.—Chapter 27 is amended—

(A) in additional U.S. Note 3, by striking "subheading 2710.00.15," and inserting "subheading 2707.50.10 or 2710.00.15,";

(B) in additional U.S. Note 4, by striking "subheading 2710.00.18," and inserting "subheading 2707.50.20 or 2710.00.18,"; and

(C) by inserting after subheading 2707.50.00 the following, with the article description for subheading 2707.50.10 having the same indentation as the article description for subheading 2707.91.00:

"	2707.50.10	Motor fuel	52.5¢/bbl	Free (IL) 10.5¢/bbl (CA)	$1.05/bbl	
	2707.50.20	Motor fuel blending stock	52.5¢/bbl	Free (IL) 10.5¢/bbl (CA)	$1.05/bbl	".

(2) STAGED RATE REDUCTIONS.—Any staged rate reduction of a special rate of duty set forth in subheading 2707.50.00 that was proclaimed by the President before the date of enactment of this Act and that takes effect after the date of enactment of this Act shall apply to the corresponding special rates of duty in subheadings 2707.50.10 and 2707.50.20 (as added by paragraph (1)(C)).

(c) LINEAR ALKYLBENZENESULFONATES AND LINEAR ALKYLBENZENESULFONIC ACIDS.—

(1) IN GENERAL.—Chapter 34 is amended by striking subheading 3402.11.10 and inserting in numerical sequence the following new superior text and subheadings, with such new superior text having the same degree of indentation as the article description in subheading 3402.11.50:

"		Aromatic or modified aromatic:				
	3402.11.15	Linear alkyl-benzene- sulfonates and linear alkylbenzenesulfonic acids	3.7¢/kg+15.9%	Free (E,IL) 1.4% (CA)	15.4¢/kg+53%	
	3402.11.30	Other	7.2%	Free (A,E,IL) 1.4% (CA)	15.4¢/kg+53.5%	".

(2) STAGED RATE REDUCTIONS.—Any staged rate reduction of a special rate of duty set forth in subheading 3402.11.10 that was proclaimed by the President before the date of enactment of this Act and that takes effect after the date of enactment of this Act shall apply to the corresponding special rates of duty in subheadings 3402.11.15 and 3402.11.30 (as added by paragraph (1)).

(d) IRON AND STEEL PIPES AND TUBES.—

(1) NONALLOY IRON AND STEEL PIPES AND TUBES.—

(A) The superior text for subheadings 7306.30.30 and 7306.30.50 is amended to read as follows: "Having a wall thickness of 1.65 mm or more, not galvanized:".

(B) Subheadings 7306.30.30 and 7306.30.50 are redesignated as subheadings 7306.30.35 and 7306.30.55, respectively.

(C) Subheadings 7306.10.10, 7306.20.60, 7306.30.55 (as redesignated by subparagraph (B)), and 7306.90.10 are each amended—

(i) by striking "1.9%" in column 1 General and inserting "4.9%"; and

(ii) by striking "5.5%" in column 2 and inserting "20%".

(D) Subheadings 7306.20.20 and 7306.60.10 are each amended—

(i) by striking "0.5%" in column 1 General and inserting "4.9%"; and

(ii) by striking "1%" in column 2 and inserting "20%".

(E) Chapter 73 is amended by inserting in numerical order the following new subheading having the same degree of indentation as the superior text for subheadings 7306.30.35 and 7306.30.55 (as redesignated by subparagraph (B):

"	7306.30.60	Having a wall thickness of 1.65mm or more, galvanized	6.5%	Free (C, E, IL) 1.1% (CA)	21.5%	".

(2) ALLOY IRON AND STEEL PIPES AND TUBES.—Subheadings 7306.50.50 and 7306.90.50 are each amended—

(A) by striking "4.9%" in column 1 General and inserting "9.5%"; and

(B) by striking "10%" in column 2 and inserting "28%".

(3) STAINLESS STEEL PIPES AND TUBES.—

(A) Subheading 7306.40.10 is amended by striking "7.6%" in column 1 General and inserting "10.1%".

(B) Subheading 7306.40.50 is amended—

(i) by striking "5%" in column 1 General and inserting "10.1%"; and

(ii) by striking "11%" in column 2 and inserting "29%".

(4) NEGOTIATING AUTHORITY.—In the event that a claim for compensation under any provision of the General Agreement on Tariffs and Trade or any other trade agreement to which the United States is a party is made by any Contracting Party to that agreement as a result of the amendments made by this subsection, the United States Trade Representative is authorized to negotiate such reasonable compensation as may be appropriate.

(5) APPLICABILITY OF STAGED RATE REDUCTIONS UNDER THE UNITED STATES-CANADA FREE-TRADE AGREEMENT.—

(A) Any staged reduction under the United States-Canada Free-Trade Agreement of special rates of duty for Canada set forth in subheading 7306.30.30 applies to the corresponding special rate of duty set forth in subheading 7306.30.35.

(B) Any staged reduction under the United States-Canada Free-Trade Agreement of special rates of duty for Canada set forth in subheading 7306.30.50 applies to the corresponding special rate of duty set forth in subheading 7306.30.55.

(C) Any staged reduction under the United States-Canada Free-Trade Agreement of special rates of duty for Canada set forth in subheading 7306.30.55 (as redesignated by paragraph (1)(B)) also applies to the corresponding special rate of duty set forth in subheading 7306.30.60.

(6) EFFECTIVE DATE.—Except as provided in paragraph (7), the amendments made by paragraphs (1), (2), and (3) shall apply with respect to goods entered, or withdrawn from warehouse for consumption, beginning on July 1, 1993.

(7) WAIVER.—In the event that—

(A) negotiations on market access and tariffs in the General Agreement on Tariffs and Trade provide for a tariff rate elimination schedule on steel products that will remove the tariff rate inversion on certain pipe and tube products; and

(B) the President or the United States Trade Representative certifies in writing to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that such schedule will eliminate such tariff inversion,

the provisions of this subsection shall not take effect.

(e) WAGE CERTIFICATES ISSUED TO CERTAIN PRODUCERS OF WATCHES AND WATCH MOVEMENTS.—

(1) IN GENERAL.—Additional United States Note 5(h) to chapter 91 is amended by adding at the end of subparagraph (v) the following new sentence: "At the election of the certificate holder, the Secretary of the Treasury shall pay to the holder the face value of the certificate less the value of—

"(A) any duty refund claimed by the holder under the certificate; and

"(B) any duty refund under the certificate that is sold by the holder under subparagraph (vi).".

(2) APPLICABILITY.—The amendment made by paragraph (1) applies with respect to wage certificates issued under paragraph (h) of such additional United States note 5 or headnote 6(h) to subpart E of part 2 of schedule 7 of the Tariff Schedules of the United States (19 U.S.C. 1202) that are in effect on or after the date of the enactment of this Act.

(f) INCREASE IN DUTY-FREE TOURIST ALLOWANCES.—

(1) DUTY-FREE ALLOWANCE FOR RETURNING RESIDENTS.—U.S. Note 4 of subchapter IV of chapter 98 of the Harmonized Tariff Schedule of the United States is amended by inserting "and Bermuda" before the period.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to residents of the United States who arrive in the United States on or after the 15th day after the date of the enactment of this Act.

(g) CERTAIN SWEATERS ASSEMBLED IN GUAM.—

(1) IN GENERAL.—Heading 9902.61.00 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking "Sweaters that—" and inserting "Sweaters—";

(B) in clause (i), by inserting "that" before "do not";

(C) in clause (ii)—

(i) by inserting "that" before "are assembled";

(ii) by striking ", exclusively" and all that follows through "aliens,"; and

(iii) by striking the semicolon and inserting a comma; and

(D) by inserting after clause (ii) the following:

"(iii) for which the number of United States citizens, nationals, or resident aliens who perform the assembly operation comprises at least 50 percent of the total number of assembly production workers; and".

(2) CONDITIONS.—Subchapter II of chapter 99 is amended—

(A) by redesignating U.S. Notes 8, 9, 10, 11, and 12 as U.S. Notes 9, 10, 11, 12, and 13, respectively; and

(B) by inserting after U.S. Note 7 the following new note:

"8. Notwithstanding any other provision of law, subheading 9902.61.00:

"(a) shall only apply to Guam; and

"(b) shall not apply in the case of any sweaters assembled by workers paid less than the United States minimum wage.".

(h) PROCESSING OF CERTAIN REFUNDS BY CUSTOMS.—Notwithstanding section 514 of the Tariff Act of 1930, or any other provision of law, upon proper request filed with the customs officer concerned within 180 days after the date of the enactment of this Act, the entry of any stuffed dolls with or without clothing classified in item 737.23, renumbered item 737.18 effective June 1, 1988, and item 912.30 of the Tariff Schedules of the United States (19 U.S.C. 1202) which was made on or after December 31, 1985, and before October 1, 1988, shall be liquidated as though such entry had been made on October 1, 1988.

(i) REISSUANCE OF PRODUCTION INCENTIVE CERTIFICATE.—The production incentive certificate numbered PIC-EV-89, issued jointly by the Secretary of Commerce and the Secretary of the Interior, as provided in subdivision (h)(i)(B) of Additional U.S. Note 5 to chapter 91 of the Harmonized Tariff Schedule of the United States shall be deemed to have been reissued on the 15th day after the date of the enactment of this Act, in the amount of its balance remaining on February 28, 1990, and shall expire 1 year after such 15th day.

(j) EXEMPTION OF SEMICONDUCTORS FROM COUNTRY OF ORIGIN MARKING REQUIREMENTS.—Section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) is amended—

(1) by striking "Except as hereinafter provided," at the beginning of subsection (a) and inserting "Except as otherwise provided in this section,";

(2) by redesignating subsections (f), (g), and (h) as subsections (g), (h), and (i), respectively; and

(3) by inserting after subsection (e) the following new subsection:

"(f) EXEMPTION FROM MARKING FOR SEMICONDUCTORS.—Articles provided for in headings 8541 and 8542 of the Harmonized Tariff Schedule of the United States and their containers are exempt from the marking requirements of subsection (a).".

(k) RENEWAL OF EXISTING CUSTOMS EXEMPTION APPLICABLE TO BICYCLE PARTS IN FOREIGN TRADE ZONES.—

(1) IN GENERAL.—Section 3(b) of the Act of June 18, 1934, commonly known as the Foreign Trade Zones Act (19 U.S.C. 81c(b)), is amended by striking "on or before December 31, 1992" and inserting "on or before December 31, 1994".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 1993.

(l) CUSTOMS TREATMENT OF CERTAIN FABRIC.—

(1) IN GENERAL.—Any fabric wholly of polyamide covered by an entry listed in paragraph (3) shall be treated as having been exported from the United States in accordance with the temporary importation bond applicable to that entry and all obligations of The Umbrellas: Joint Project for Japan and U.S.A. Corporation, a California corporation, (referred to in this subsection as the "importer of record") under such bond with respect to the fabric shall be treated as having been satisfied, if—

(A) before the first anniversary of the date of the enactment of this Act, the importer of record donates the fabric to an organization (referred to in this subsection as the "donee organization") within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under subtitle A of such Code of 1986; and

(B) before donation under paragraph (1), the donee organization enters into an agreement with the Secretary of the Treasury that meets the requirements in paragraph (2).

(2) AGREEMENT REQUIREMENTS.—Any agreement entered into under paragraph (1)(B) shall be subject to such terms and conditions as the Secretary of the Treasury considers necessary or appropriate to carry out the purposes of this subsection, including, but not limited to, the following:

(A) With respect to any of the fabric donated under paragraph (1)(A), the donee organization shall be liable for—

(i) the duty that would have been assessed on the fabric at the time of entry but for the duty-free temporary importation under bond, and

(ii) a penalty in the amount of the duty referred to in clause (i),

if the donee organization, at any time before the tenth anniversary of the date of donation—

(I) sells the fabric, or

(II) uses, or permits the use of, the fabric in the production of any article that is sold, or otherwise entered, into commerce.

(B) The donee corporation may, at any time within the 10-year period referred to in subparagraph (A) and under Customs supervision, destroy the fabric or export the fabric from the United States.

(3) AFFECTED ENTRIES.—The entries referred to in paragraph (1), made at the port of San Diego, California, are as follows:

Entry No.	*Date of Entry*
11-44451-5	*9/16/90*
11-44719-8	*10/28/90*
11-44964-6	*11/09/90*
11-44836-2	*11/09/90*
11-17258-3	*12/13/90*
11-17274-9	*12/27/90*
11-18025-2	*1/14/91*
11-10889-6	*1/10/91*
11-18135-8	*2/28/91*
11-18155-2	*3/07/91*
11-10100-2	*3/16/91*
11-18221-8	*3/23/91*
11-18237-3	*3/28/91*
11-18279-7	*4/11/91*
11-18333-8	*4/18/91*
11-18366-8	*5/02/91*
11-10684-9	*6/21/91*

(4) DENIAL OF CHARITABLE DEDUCTION.—No deduction shall be allowed under section 170 of the Internal Revenue Code of 1986 for any donation referred to in paragraph (1)(A).

(m) REEXPORTATION OF COMMUNICATIONS SATELLITE ARTICLES.—

(1) IN GENERAL.—(A) The first sentence of U.S. Note 1(a) to subchapter XIII of chapter 98 of the Harmonized Tariff Schedule of the United States is amended—

(i) by striking "and (2)" and inserting "(2)"; and

(ii) by striking the period at the end and inserting the following: ", and (3) for articles imported under heading 9813.00.05, the time for exportation may be extended for 1 or more further periods which, when added to the initial 1 year, shall not exceed a total of 5 years, but any application for an extension beyond the 3rd year must be accompanied by the importer's certification that the articles are dedicated for incorporation into a communications satellite.".

(B) The amendments made by subparagraph (A) apply with respect to goods entered on or after the date that is 3 years before the date of the enactment of this Act.

(2) EXPEDITED MITIGATION OF PENALTY ASSESSMENTS ON REEXPORTATIONS DELAYED BY LAUNCH SYSTEM FAILURES.—Goods imported under heading 9813.00.05 of the Harmonized Tariff Schedule of the United States after January 1, 1983, and before the effective date established under paragraph (1)(B) that are certified by the importer—

(A) as having been dedicated for incorporation into a communications satellite; and

(B) as not having been exported within the time required for exportation under the applicable bond directly or indirectly as a result of launch schedule delays resulting from any launch failure, launch system failure, or technical delay;

are subject to liquidated damages not exceeding 1 percent of the liquidated damages established in the applicable bond.

(n) DUTY-FREE ENTRIES FOR PARTICIPANTS AND OTHERS ASSOCIATED WITH THE XXVI SUMMER OLYMPIAD.—

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"	*9902.98.04*	*Personal effects of participants in, officials of, and other individuals associated with the XXVI Summer Olympiad or the Cultural Olympiad associated with the XXVI Summer Olympiad; and other articles associated with the XXVI Summer Olympiad or the Cultural Olympiad:*			

	(1) Personal effects of participants in, officials of, or accredited members of delegations to the XXVI Summer Olympiad or the Cultural Olympiad associated with the XXVI Summer Olympiad, or of individuals who are members of the immediate families or servants of any of the foregoing persons.					
	(2) Any article for which entry is sought by participants in, officials of, or accredited members of delegations to the XXVI Summer Olympiad and which is to be used or consumed at or in connection with the Olympiad.					
	(3) Any article for which entry is sought by participants in, officials of, or accredited members of delegations to the Cultural Olympiad associated with the XXVI Summer Olympiad and which is to be used at or in connection with the Cultural Olympiad.					
	(4) Subject to regulations prescribed by the Secretary of the Treasury, any other article for which entry is sought for use at or in connection with the XXVI Summer Olympiad	*Free*	*No change*	*Free*	*On or before 10/4/96*	".

SEC. 444. COST ESTIMATE.

The applicable cost estimate of this Act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

Fiscal year	*1992*	*1993*	*1994*	*1995*
Changes in outlays	*Not applicable*			
Changes in receipts	*0*	*21*	*21*	*21*

The CHAIRMAN. No amendment to said substitute shall be in order except the amendments printed in House Report 102-652. Said amendments shall be considered en bloc, shall be considered as read, shall not be subject to amendment, and shall not be subject to a demand for a division of the question. Debate time specified for the amendments en bloc shall be equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

AMENDMENTS EN BLOC OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc are as follows:

Amendments en bloc offered by Mr. GEPHARDT: Page 20, lines 4 and 5, strike out "a trade agreement" and insert "as promptly as practicable a comprehensive trade agreement affecting the automotive sector (or, if appropriate in order to achieve each of the objectives listed below, two or more trade agreements)".

Page 20, line 25, strike out "and".

Page 21, strike out lines 8 through 24, inclusive, and insert the following:

Japanese sources in the Japanese market; and

(5) offsets any detrimental impact of the European Community-Japan Automobile Agreement on the United States motor vehicle industry by addressing, to the greatest extent practicable, the problem of excess Japanese motor vehicle manufacturing capacity and committing the Government of Japan to effect annually a voluntary limitation of no more than 1.65 million units (which is the voluntary limitation for that Government's fiscal year ending March 31, 1993) on the export of Japanese motor vehicles to the United States for so long as limitations are in effect under the European Community-Japan Automobile Agreement regarding Japanese motor vehicle exports to, and sales within, the European Community.

(c) REPORTS.—

(1) STATUS OF NEGOTIATIONS REPORTS.—The United States Trade Representative shall submit to the Congress written reports that describe the progress of the negotiations under subsection (b). The first such report shall be submitted on or before the 90th day after the date of the enactment of this Act and reports shall be submitted thereafter on a 90-day basis for so long as such negotiations are engaged in. The United States Trade Representative shall include in such reports any recommendation for action that the Trade Representative considers appropriate to promote the international competitive position of United States manufacturers.

(2) MARKET ACCESS REPORT.—The President shall direct the appropriate agency in the executive branch to evaluate the extent to which motor vehicle parts produced by United States manufacturers are—

(A) achieving market access in Japan; and

(B) being utilized by motor vehicle manufacturers located in the United States that are Japanese owned or controlled (hereinafter in this section referred to as "transplant vehicle manufacturers").

The report required under this paragraph shall be submitted to the Congress no later than the 180th day after the date of the enactment of this Act.

(d) MONITORING SYSTEM.—

(1) IN GENERAL.—The President shall direct the appropriate agency of the executive branch to develop and administer a system for monitoring the implementation of the commitments in the Action Plan, announced by the President of the United States and the Prime Minister of Japan in Tokyo in January 1992, to achieve fair trade in motor vehicles and motor vehicle parts, including the commitment in such Plan that transplant vehicle manufacturers will increase their use of motor vehicle parts produced by United States manufacturers so that the United States parts content of motor vehicles produced by transplant vehicle manufacturers will be at least 70 percent by the close of Japanese fiscal year 1994.

(2) EXCLUSIVITY.—The monitoring system under paragraph (1) shall be developed and administered notwithstanding the carrying out of any negotiation, or the entering into of a trade agreement under subsection (b) that might apply to—

(A) the commitments referred to in paragraph (1); or

(B) the monitoring of the implementation of such commitments (unless, in the case of a trade agreement so entered into, such agreement specifically provides for a monitoring system that is at least equivalent to the system provided for under this subsection, including the reporting requirements under paragraph (4)).

(3) SYSTEM CHARACTERISTICS.—The monitoring system under paragraph (1) shall include procedures for measuring the United States parts content of motor vehicles (whether by model, line, or class) produced by transplant vehicle manufacturers. Such procedures shall be based on the methodologies developed to measure the national content of motor vehicles under the United States-Canada Free-Trade Agreement or, if and when implemented, the methodologies developed to measure the regional content of motor vehicles under an agreement establishing a North American free trade area.

(4) REPORTS.—The United States agency that administers the monitoring system required under this subsection shall submit to the United States Trade Representative written reports on the results of such monitoring, including an evaluation of the progress being made, on a facility-by-facility basis, by transplant vehicle manufacturers in meeting the commitment referred to in paragraph (1) regarding increased United States content. The first report required under this paragraph shall be submitted on the 270th day after the date of the enactment of this Act, and an additional report submitted on June 30 of each calendar year after 1993 and before 2001. To the extent practicable, each such report shall make evaluations regarding United States parts content as of March 31 of the year the report is submitted. Such United States agency shall also submit a copy of each report prepared under this paragraph to the Congress and make copies of each such report available to the public.

(e) ENFORCEMENT.—

(1) DETERMINATIONS BASED ON REPORTS.—Within 30 days after receiving any report under subsection (d) (or any monitoring report provided under a trade agreement referred to in paragraph (2)(B) of that subsection), the United States Trade Representative shall determine whether each commitment that is addressed in the report is being implemented.

(2) TITLE III TREATMENT.—If the United States Trade Representative determines under paragraph (1) that any commitment referred to in subsection (d)(1) is not being implemented, such failure to implement shall, for purposes of title III of the Trade Act of 1974, be considered as an act, practice, or policy that is unjustifiable and burdens or restricts United States commerce. The United States Trade Representative shall immediately proceed to determine, in accordance with section 3404(a)(1)(B) of such Act, what action to take under section 301(a) of such Act in response to such act, practice, or policy. In carrying out the preceding sentence, the United States Trade Representative shall take action under such section 301(a) against

the foreign goods or economic sector involved in the act, practice, or policy that is the subject of such action, but excluding goods produced by parent corporations of transplant vehicle manufacturers that are in compliance with the commitment referred to in subsection (d)(1) regarding increased United States parts content.

(f) CONSTRUCTION.—Nothing in this Act may be construed to have the effect of—

(1) terminating or limiting to any extent the production of motor vehicles by transplant vehicle manufacturers; or

(2) limiting or reducing jobs of United States workers at the facilities of such manufacturers.

(g) 5-YEAR EXTENSION OF FAIR TRADE IN AUTO PARTS ACT OF 1988.—Section 2125 of the Fair Trade in Auto Parts Act of 1988 (15 U.S.C. 4704) is amended by striking out "1993" and inserting "1998".

The CHAIRMAN. Pursuant to the rule, the gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Is the gentleman from Illinois [Mr. CRANE] opposed to the amendment?

Mr. CRANE. Yes, I am opposed to the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois [Mr. CRANE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I yield 4 minutes to begin our debate to the gentleman from Michigan [Mr. LEVIN], a cosponsor of the amendments.

Mr. LEVIN of Michigan. Mr. Chairman, let us forget the slogans. We are not interested in bashing the Japanese or anybody else. By the way, let no one bash America.

This is not protectionism. This is antiprotectionism. Let us forget the fears of retaliation. America is really tired of acting scared.

Let us look at the facts. I wrote down a few figures, and I would like Members to focus on them: 30 percent, 16 percent, 3 percent. Let us take those first.

The 30 percent is the Japanese share of the American motor vehicle market; 16 percent is the ceiling negotiated by the European Community and Japan for Japanese sales of motor vehicles in Europe; 3 percent is the amount of foreign motor vehicle sales in Japan, the second largest market for motor vehicles in the world.

The next set of figures, $10 billion plus, $3 billion minus, and $1.5 billion minus. In 1990 the Japanese auto companies made $10 billion in their domestic motor vehicle market. They lost $3 billion in the U.S. market, and they lost $1.5 billion in the European market.

What does that mean? What it means is that they took the profits from their sheltered domestic market where there is only 3-percent penetration, and they used them taking losses in the United States and in Europe to gain market share.

□ 1430

The 6 million figure represents excess capacity today in Japan among their motor vehicle manufacturers.

So what does this add up to? There is a real problem here, and sticking one's head in the sand is not the answer.

Let me just read what was said by the United States-Canada auto panel cochaired by a conservative Republican free trader, Mr. Peterson:

The issues raised by trading partners between North America and Japan that have developed over the last two decades require immediate government attention. Past negotiations on these issues have proven unsuccessful. A new approach is required to address what has become a serious problem after two decades of procrastination and delay * * * Government to government negotiations between the U.S. and Japan must reach closure on a plan to reduce rapidly the existing $43 billion trade deficit (of which over 70 percent is automotive related.)

Part 1 of the Gephardt-Levin amendment says to the United States to negotiate that kind of comprehensive motor vehicle trade agreement with Japan. It does not write into law the VRA or anything else. It says negotiate it.

The second part of our amendment says that the Japanese should live up to the agreement, to the declaration that was issued by President Bush and the Japanese in Tokyo. That is all it says. Live up to it. It places this declaration within the texture of section 301 where the President has full discretion as to what response there would be if they do not live up to it.

It does not limit transplant production, and I want to make this so clear.

I come from Michigan. I am proud to be from Michigan, but the motor vehicle industry is a national industry. There is not a single auto assembly plant in my present district. It is a national, national industry, and you say, well, it cannot happen here, that we could lose the No. 1 industry. It has happened with other industries. It could happen here.

This amendment says to America, "Wake up." There is a threat to a major industry. That is what it says, "Wake up."

Vote for the Gephardt-Levin amendment.

Mr. CRANE. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. GIBBONS], the distinguished chairman of our Subcommittee on Trade.

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

Mr. Chairman, the gentleman from Michigan [Mr. CONYERS] asked a very good question here a while ago: Why can we not sell cars in Japan? The answer is very simple. We never tried.

Years ago I invited the heads of the Big Three to come in and testify before the Committee on Ways and Means, and I sat for hours with them in my office discussing the problems of the auto industry. Two of the Big Three attended. Mr. Iacocca elected not to.

I cannot quote exactly what they told me, but the gist of the conversation, as I remember it, was this: "Our strategy, Mr. GIBBONS, as you know, is to make money. Our strategy as far as the Japanese market is concerned is that it is not a good market for us. We cannot compete in their market. It is not a big market. We prefer to make money in the Japanese market by investing in Japanese auto producers." That was their strategy. Perhaps it has changed. I do not know. They have never come back to tell me that it has changed.

So we have never tried, as far as I am concerned, to sell cars in the Japanese market.

Second, it is obvious that we have never tried to sell cars in the Japanese market, because I think, as all people know here, the Japanese drive and have driven all their lives down the left-hand side of the road, and I do not know of an American manufacturer that is producing a car for the Japanese market. Perhaps there are one or two, but I am not aware of them.

Yes, we have tried to sell parts there. The gentleman from Michigan [Mr. LEVIN] and the gentlewoman from Ohio [Ms. KAPTUR] have done a good job. The American industry has done a good job trying to sell parts in Japan.

But when you look at Japan and you look at America, we are two vastly different countries in the way that we organize our industries. The Japanese industries are organized under their law according to their law and ours are organized and operating under ours, according to our laws.

The Japanese have a lifetime employment. They have long relationships with their suppliers. The suppliers and the lifetime employees work every closely together, and they make a very tight-knit organization.

It is very difficult to penetrate a Japanese organization in Japan because of that. There are many things that are good about the Japanese system. It seems to be highly productive. They do make a good car.

Actions have been brought in this country to limit the number of cars that are sold here, and as you know, just 2 weeks ago, the International Trade Commission turned down a dumping case on the grounds that the American industry, the complaining industry, could not prove that it had been injured by the Japanese imports. The International Trade Commission is a bipartisan group of professionals that looks at the evidence that is presented to them before it makes its decision. Whether its decision is right or wrong I am not here to complain about.

It made the decision after properly hearing the evidence that was presented to it.

There are many things that we need to do. The Japanese revenue system is

different than ours. The Japanese health care system is different than ours. Those are two things I touched on in my earlier remarks.

If we really want to make America competitive and do the best we can for trade in this country, it is not to adopt this amendment, but it is to adopt a better health care system than we have got here and a better revenue system than we currently operate under.

Mr. GEPHARDT. Mr. Chairman, I yield 4 minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the President and the Japanese cannot have it both ways. Either the Tokyo accords, reached during the President's visit to Japan last January are an agreement, or they are not.

When one of the President's chief trade officials, Michael Farren, the Under Secretary of Commerce for International Trade, testified on April 8, before the Subcommittee on Commerce, Consumer Protection, and Competitiveness, which I chair, he referred to the January accords as an "agreement * * * embraced by the Government of Japan during the President's trip."

Furthermore, Mr. Farren said the most important part of this agreement is Japan's commitment to increase to 70 percent by 1995, the percentage of American-made auto parts used in the cars Japanese auto manufacturers make at their transplant facilities in the United States.

When public reports indicated that perhaps the Japanese were not willing to stand behind the commitments contained in the agreement, the Prime Minister of Japan himself, in meetings with President Bush, dismissed those reports. He said Japan stood fully behind the commitments made.

So if the January accord is an agreement with the kind of important commitments the administration believes it contains, the President ought to have adequate authority to ensure that it is properly implemented.

That is primarily what this amendment does. Under the Gephardt-Levin amendment, the President is required to set up a system to monitor Japan's compliance with the commitments it made, including, especially, the commitment to achieve 70 percent United States content in the cars Japan produces at its transplant auto facilities in the United States by the end of the Japanese 1994 fiscal year which is March 31, 1995.

Some have complained that only the Japanese would have to comply with 70 percent. However, let me point out that the Big Three U.S. automakers already manufacture vehicles with a U.S. content much higher than 70 percent. General Motors cars produced here in the United States contain 97 percent U.S. content. Chrysler's U.S. production contains 92 percent U.S. content. Ford's worldwide production has 89 percent U.S. content.

A determination that Japan has failed to implement its commitments in the agreement would result in the United States Trade Representative taking action under section 301 of the Trade Act. Section 301 is designed to be used when benefits due the United States under trade agreements are denied.

The administration is being asked to use the same authority if Japan fails to fully implement the market access commitments it made under the United States-Japan Semiconductor Agreement. Under that agreement, Japan is supposed to take actions that would enable United States semiconductor manufacturers to achieve at least a 20-percent market share by the end of this year.

Finally, this amendment authorizes the President to negotiate an agreement that would offset damage to United States automakers from restrictions the European Community has placed on Japanese imports into the European market. Unless the President negotiates such an agreement, the United States market will likely become the place where Japan's surplus auto production will be dumped at unfair prices.

In conclusion, it should be noted that this amendment specifically states that nothing in this proposal shall be construed to limit production of the seven Japanese auto transplants operating in our country.

Mr. Chairman, I urge my colleagues to support the Gephardt-Levin amendment so the President will have the means to enforce the agreement he got from Japan.

□ 1440

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. ARCHER], our distinguished ranking minority member of the Committee on Ways and Means.

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

Mr. Chairman, the Gephardt-Levin amendment is thinly veiled protectionism for one special interest sector and should be opposed. Despite protests of good intentions, the amendment places an indefinite freeze on automobile imports and establishes a statutory procedure that discriminates against American workers in transplant firms.

The so-called voluntary quota mandated by this bill would be tied to the existence of auto restraints—at any level—in the European Communities. How can such an irrational policy be defended? Are the Europeans to set our standards for competitiveness?

Yes, Japan has offered to voluntarily restrain auto imports as the EC transitions to a unified market. Initial restraints are substantially higher than the number of autos allowed into that market in previous years and will expand each year until they disappear altogether in 1998. There is no domestic content requirement for parts and components and there will be no monitoring of purchases by transplant firms.

The proponents of the Gephardt-Levin amendment mischaracterize the EC program and use it as an excuse to impose protectionist quotas in our market. The United States is not a residual market for autos that cannot be sold in the EC. Japan entered our market with high-quality cars that consumers loved. Japanese auto manufacturers have huge investments in this country and develop their market strategies for American buyers.

Even more nefarious, is the discrimination against workers in transplant firms that is a clear element of the Gephardt-Levin amendment. It establishes a 70-percent domestic content requirement only for transplant firms, making such firms less competitive and less able to expand U.S. employment. The Big Three would not have to have 70-percent domestic content.

Furthermore, the amendment transforms a good-faith agreement on the part of Japanese auto manufacturers to voluntarily increase their purchases of United States auto parts into a unilaterally enforced trade agreement. It sets requirements for compliance on a facility-by-facility basis and imposes mandatory sanctions for violations. The goals of the commitment are put in a straitjacket that will result in failure and retaliation.

Mr. Chairman, this amendment pits one American worker against another, raises prices for consumers and threatens our exports.

I urge my colleagues to oppose the Gephardt-Levin amendment.

Mr. GEPHARDT. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Missouri [Mr. GEPHARDT] and the gentleman from Michigan [Mr. LEVIN], and in support of H.R. 5100.

I think it should be noted that the amendment offered by the gentleman from Missouri does not limit any import cars from Japan. The 1.65 million unit limit is the very same limit that is accepted voluntarily by Japan under the voluntary restraint agreement, and which has been agreed to by the President at the Tokyo action meetings which occurred earlier this year.

Also, the amendment does not affect Japanese transplants so long as they produce cars that have 70 percent domestic content, and I do not think that is an unlikely or unreachable goal for them to achieve.

In fact, they have accepted that goal voluntarily.

Last, but not least, I think that what this amendment does is to improve the bill and make it even more, as I said earlier today, a trade crowbar or sledgehammer to open up locked markets, a bulldozer to level the trade playing field.

Mr. Chairman, I rise in support of the amendment and of the bill and urge its passage.

Mr. CRANE. Mr. Chairman, I yield 3 minutes to our distinguished colleague from the Committee on Ways and Means, the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. Mr. Chairman, I rise in opposition to the Gephardt amendment.

In pushing for this bill, supporters of the Gephardt amendment are rallying around the America first rhetoric that pleads for isolationism and protectionist trade policies.

While the stated purpose of the Gephardt amendment is to protect auto industry jobs, the result of this legislation will be lost jobs for thousands of American workers in other industries.

Let us remember, we run a trade surplus with European countries. If this legislation is passed today, what is going to stop the European Community from imposing protectionist legislation against American companies: Pharmaceuticals, electronics, heavy equipment makers, agricultural products that farmers all across this country export to Europe, paper, and paper products.

And if the Europeans retaliate against us because of this legislation, will the supporters of the Gephardt amendment rally again with another bill that further erodes our market share throughout the world?

When will the nonsense stop? Will it stop when thousands of aerospace workers at Boeing lose their jobs?

Will it stop when American computer firms such as Microsoft and Hewlett-Packard close plants and lay off workers because of unfair tariffs in foreign countries?

If the goal of the Gephardt amendment is to help American auto workers, it's missing the mark.

I own an American-made car, Mr. Chairman. I purchased that car because it was the best car on the market at the best price.

Building quality cars and selling them at competitive prices are the keys to American dominance of the automobile markets—not enacting protectionism legislation in Washington, DC.

But, Mr. Chairman, if the goal of the Gephardt amendment is to force worldwide trade retaliation tactics, I believe that the supporters of this legislation will be successful in their quest.

Passage of this legislation is a slap in the face to our foreign competitors—a slap that will lead to retaliation, and lost American jobs.

Mr. Chairman, this bill is the wrong approach. It comes at the worst possible time for our fragile economy, and could serve to torpedo our efforts to transform the world into a global marketplace.

This bill would be particularly destructive at a time when the U.S. economy and job creation are being significantly supported from strong exports growth.

I want Americans to know the facts: Seventy percent of the economic growth in America in the last 4 years has come from expanding exports.

One million eight hundred thousand new jobs were created in America because of our open trade policies.

For my home State of Washington, this bill is likely to jeopardize an estimated 200,000 export-related jobs and exports totaling over $28 billion annually in exports.

Earlier, the distinguished minority leader talked about the importance of trade with Japan for Caterpillar—one of the biggest employers in his district.

Washington State-based Boeing has a similar positive relationship with Japan.

Through 1991, the total value of Japanese orders of United States transports was $30 billion. Boeing garnered $24.8 billion of that $30 billion, and expects its sales to Japan to increase to $35 billion in the next decade.

Mr. Chairman, before I close, let me just say that the effect of the Gephardt amendment is to politicize trade issues at a time when the United States needs to project a united front in negotiations and application of U.S. trade law.

Next year, Congress will have considerable opportunity to review and if necessary, adjust United States trade laws when it considers the Uruguay round and the NAFTA negotiations.

Mr. Chairman, I urge my colleagues to take a stand against protectionism. Vote "no" on the Gephardt amendment.

□ 1450

Mr. GEPHARDT. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. KILDEE] who has been very active on this legislation.

Mr. KILDEE. Mr. Chairman, I rise today to express my strong support for the Gephardt amendment of which I am a cosponsor.

The Gephardt amendment is important to our Nation's economic security. This legislation goes a long way toward giving American automakers a fair chance at cracking the closed Japanese market. It has reached a point today, where United States auto suppliers are effectively prevented from selling to Japanese transplants even here in the United States.

Mr. Chairman, I have long argued that our country needs to have a strong industrial policy—a policy that helps American industries better compete in the international marketplace.

The auto industry is an industry that affects virtually every district in the country. American automakers are major purchasers of textiles, steel, and semiconductors. The jobs created by the auto industry are good paying jobs. They are jobs that are important to keep so we can maintain a decent standard of living for our children. We have lost hundreds of thousands of these high paying jobs, and many communities across the country have been devastated.

And Mr. Chairman, we are in danger of losing thousands of more good paying jobs because our Government is unwilling to enforce current U.S. trade laws that would eliminate unfair trade and business practices.

The Japanese have long recognized that Government can play a key role in promoting the exports of Japanese products. They have done virtually everything in their power to ensure that its industry is healthy and internationally competitive. They have blocked the entry of foreign products into their markets while the Government backs predatory trade practices abroad.

As a result, over 40 percent of the entire United States trade deficit in 1991 was directly related to our auto and auto parts trade deficit with Japan. And if the current trends continue, our trade deficit with Japan will increase to $48 billion in 1992.

But I do not blame Japan for promoting its auto industry. But I do blame our own Government which refuses to promote—or even defend—the interests of our domestic auto industry. This amendment seeks fairness for American businesses and American workers.

That is why I strongly support the Gephardt amendment. It is a good amendment, a fair amendment—and it supports the commitments the President received from the Japanese to change their unfair trading practices.

I urge my colleagues to support this amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, quotas do not work. That is the message we ought to be hearing today. That is the message we ought to understand.

We do not want the Japanese to place quotas on celluar phones made in the United States, on refined copper that comes from this country, on microchips, or on the wheat or corn that we sell to them. But that is exactly what will happen if we adopt this amendment. Not only that, we are going to put U.S. autoworkers out of work.

Oh, yes, I know the amendment says there is no limit on the production of automobiles that are produced by transplant companies. But what about retaliatory action against the products from those transplant companies? What about the different domestic con-

tent rules for the transplant firms? Why is it, as the chairman of the subcommittee pointed out, why is it that we are pitting one American autoworker against the other autoworkers? Why do we pit the General Motors worker against the worker from Honda or Toyota?

Why do we put a fig leaf over what is clearly a quota we are talking about? The amendment says: "We direct the President to negotiate," a limit of 1.65 million automobiles. How do you negotiate when you are told what you have to have as the end result?

And what about the consumer? Does anybody speak for the consumer? The voluntary quotas that have been in effect all these years have cost every American who has bought a car, whether a foreign car or an American car, hundreds of dollars on every single car that has been sold. The American consumers have had to pay billions of extra dollars over the last several years for their autos, all because of the voluntary quotas that we have imposed.

So, who speaks for the consumer today? H.R. 5100 is bad legislation. This amendment is bad legislation heaped on bad legislation. Let us have confidence in the American workers, confidence that we can produce goods that can compete with other countries' products.

Let us defeat this amendment. Then, let us defeat this bill.

Mr. LEVIN of Michigan. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. JONTZ].

Mr. JONTZ. Mr. Chairman, I rise in support of the bill and of the Gephardt-Levin amendment.

Mr. Chairman, over the last decade the U.S. automotive industry has made intense efforts to improve the quality of their product and they have succeeded. But now our auto industry finds that even with world-class product, Japanese markets are closed. In auto parts, our firms from the United States compete worldwide. We have a $17 billion surplus with Western Europe. Why then do we have a $30 billion auto trade deficit with Japan? Because Japan engages in various unfair trade practices which we need to address if we are to have the opportunity to compete on a fair basis.

The Gephardt-Levin amendment does two very important things. First of all it directs our trade representative to enter into negotiations to achieve a comprehensive auto sector agreement.

This is important, in part because the Europeans have a comprehensive auto sector agreement with Japan. Absent such an agreement between the United States and Japan, the temptation will be for Japan to use American markets to absorb their excess capacity.

The second very important thing the Gephardt-Levin amendment does is to put into law a process to monitor and enforce the agreements or the commitments which Japan made when President Bush was in Tokyo earlier this year.

The 70-percent figure for the consumption of domestically produced parts at the transplants is not the figure that Mr. GEPHARDT and Mr. LEVIN came up with, but rather this is what Japan committed themselves to.

But we know from our experience that if we do not have some process to monitor compliance with that agreement and bring about its enforcement, that the prospects of its being achieved are very slim.

In fact, the Big Three auto makers in our country have about an 85-percent domestic parts situation at the present time, and we should keep a close eye on them to make sure that that number is improved.

But this amendment is very important to see that the 70-percent agreement is adhered to that the Japanese have suggested they can achieve.

Mr. JONTZ. Mr. Chairman, I rise today to express my support for H.R. 5100, the Trade Expansion Act of 1992 and for the Levin amendment. As the name indicates the purpose of this legislation is to open foreign markets to U.S. products.

America finds itself in a new era in international trade—an era for which we are not fully prepared. The military competition that dominated our foreign and domestic policies for half a century has suddenly disappeared, and we are faced with a new international economic competition. Today's competition is qualitatively different from that which we have seen before. In Europe and on the Pacific rim, our competitors have developed national and multinational policies designed to win economic hegemony while we cling to a laissez-faire philosophy that is not only ineffective but tends to remove us from the playing field altogether. Some European and Japanese economists already discount a United States role in the 21st century world economy. If we are going to remain internationally competitive, this Congress must take our trade policies in hand and demand that our trade negotiators act in the interests of America's working people. H.R. 5100 moves us in the right direction.

The Trade Expansion Act takes necessary and timely steps toward correcting our foreign trade deficit, particularly with Japan, and toward establishing fair international trade. I support the extension of the Super 301 authority for the period from 1993 to 1997. Super 301 is an important tool which we have used too little. H.R. 5100 requires the U.S. Trade Representative to target priority countries and practices for trade liberalization negotiations and to back up those negotiations with the initiation of section 301 investigations. Too often we fail to back up our trade talks with actions that signal our seriousness.

Additionally, it is time to initiate a section 301 investigation of the practices that Japan uses to protect its domestic markets from foreign penetration, particularly their keiretsu relationships and other systematic anticompetitive practices. I am continually frustrated by the failure of our trade negotiators to press for United States access to the Japanese market with the same intensity and determination that Japan's trade leaders obviously approach the penetration of our market. The USTR 1992 report on foreign trade barriers says that "contractual as well as informal understandings between Japanese automakers and their domestic dealers have effectively denied United States automobile manufacturers the opportunity to market through existing dealer outlets." We have participated in the market-oriented sector specific talks with Japan on motor vehicles and auto parts since 1986, and all we have to show for it is an agreement by Japan to participate in a pair of studies on the issue. Meanwhile the United States share of their auto parts market remains less than 2 percent, and only 30,000 United States assembled autos were sold in Japan in 1991, almost half of them United States-manufactured Hondas.

H.R. 5100 takes important steps to open previously closed markets to U.S. automotive products. The bill requires the USTR to initiate a section 301 investigation of Japanese business policies and practices that affect access to the Japanese market for United States-made vehicles. Additionally, the bill instructs the USTR to negotiate a trade agreement with Japan which would:

First, eliminate or modify those acts, policies, and practices that act as barriers to U.S. exports of motor vehicles and motor vehicle parts;

Second, provide for the prompt implementation of the commitments made to the President last January for the purchase of United States auto parts by Japanese vehicle manufacturers;

Third, establish long-term goals for the purchase of high value-added auto parts; and

Fourth, establish a procedure for the exchange of information between the Japanese and United States Governments regarding auto and auto parts trade.

But, Mr. Chairman, I believe we must go further to secure the future of the U.S. auto and auto parts industry in the world market, so I also support the Levin amendment to H.R. 5100.

The U.S. auto and auto parts industry directly or indirectly employs one working American in six and it accounts for 12 percent of our gross national product, over $200 billion a year. But the auto industry is in trouble. General Motors announced last December its decision to lay off over 70,000 workers and close 21 or more plants. In 1991, the U.S. market share for the Big Three dropped below 50 percent of total sales. This is in large part due to intense and often unfair foreign competition.

Over the last decade the U.S. industry has made intense efforts to improve the quality of their product, and they have succeeded. They are now finding, however, that even with a world-class product, Japanese markets are closed to them. In auto parts, U.S. firms compete worldwide. We have a $16.7 billion surplus with Western Europe. Why then do we have a $30.1 billion auto trade deficit with Japan?

The 15,000 U.S. auto parts companies comprise the most competitive sector of our industry. It employs twice as many workers as auto

assembly plants and contributes twice as much to the GNP. While United States auto parts are marketed throughout the world, attempts to break into Japan's market as well as into the Japanese transplant market here at home have met with nearly insurmountable nontariff barriers.

Because of their restricted home markets, Japanese auto companies are able to use inflated profits in their home market to purchase increased shares of the U.S. auto market. Since 1987, the Japanese have lost money in the United States market but captured a larger and larger market share. Worldwide penetration of the Japanese auto market is a puny 3 percent, the United States share of that is only 0.5 percent. To make matters worse, the Japanese recently agreed with the European Community to restrict their European market share to about 16 percent, a circumstance which portends increased Japanese efforts to expand their United States market share because of their historic excess capacity.

We have for years negotiated with the Japanese about opening their market. The only results we have to show are additional studies. Without stiffer legislative action such as the Levin amendment, Japan will not change its practice.

Without the amendment, H.R. 5100 does not sufficiently address the role that transplants play in Japan's overall auto manufacturing strategy. The investment of the Japanese in assembly plants in the United States has in many ways brought benefits to this country, but this investment has also brought traditional Japanese business practices which are often at odds with our own. We cannot ignore the fact that these transplant companies are an integral part of their parent companies' growth and marketing strategies, just the same way that General Motors' decisions to invest in Mexican plants are a part of their business strategy here at home. Japanese transplants are here to take advantage of the American market. Their pricing structures, both internal and external, are designed to use the strength of their closed domestic market to leverage market share here. Figures produced by the Auto Parts Advisory Committee show that this is particularly true in the auto parts sector. H.R. 5100 needs to address the closed nature of the Japanese auto and auto parts sector both in Japan and here in the United States.

Mr. Chairman, H.R. 5100 needs the Levin amendment. The amendment has two basic purposes. First, it would call on the USTR to negotiate a comprehensive auto sector agreement with Japan, including the continuation of the current voluntary restraint agreement [VRA]. That VRA would have to remain in force as long as the Japanese/European Community agreement is in force, thereby countering the pressure on the Japanese to increase United States market share to make up for lost market share in Europe. Second, the amendment would assure that the commitments the Japanese made to President Bush when he visited Japan in January are kept. That agreement included a commitment that sourcing at the transplant facilities in the United States would increase the use of U.S.-made parts to 70 percent.

Additionally, the Levin amendment would extend for 5 years the authority for the Auto Parts Advisory Committee established by the Fair Trade in Auto Parts Act of 1988. The Auto Parts Advisory Committee has played a vital roll in enhancing our understanding of the anticompetitive practices our companies have faced as they try to gain access to Japanese markets both in Japan and in the United States. I hope that it will be able to continue that roll, but I believe that we should do more than simply extend the present committee and the Fair Trade in Auto Parts Act. The Department of Commerce should be mandated to coordinate U.S. policies on trade, trusts, taxes, et cetera, to underscore our intolerance of anticompetitive and other unfair practices both here and abroad. The act should be further amended to clarify that the intended beneficiaries of the act are traditional United States auto parts manufacturers and not transplanted Japanese companies.

Overall, Mr. Chairman, H.R. 5100 is positive legislation and long overdue. I urge its adoption, and I urge the adoption of the Levin amendment because we must do our part to assure the international competitive position of the U.S. auto and auto parts industry.

Mr. CRANE. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from Kentucky [Mr. HOPKINS].

Mr. HOPKINS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the amendment.

My district is the home of Toyota Motor Manufacturing, U.S.A., located in Georgetown, KY, where 4,000 Americans—96 percent of whom are Kentuckians—produce 240,000 Camrys and 300,000 engines each year.

This operation has been so successful that after only 4 years of production, construction is underway to expand both production and engine capacity by another 200,000 each and raise employment to 6,000 workers and an annual payroll of $150 million.

That expansion will bring Toyota's total investment in Kentucky to more than $2 billion and, frankly, we resent the fact that there are some who suddenly want to change the rules and try to handicap this Kentucky operation, as this amendment would.

The 6,000 jobs Toyota is bringing to our part of America isn't the only direct benefit that is being realized; 37 Kentucky companies are supplying parts, components, and materials to the Georgetown plant; and 174 American suppliers are involved.

And hear this, please: According to the domestic content criteria established by the Environmental Protection Agency in connection with our fuel economy requirements, the Camrys that are rolling off the assembly line in Kentucky have 75 percent of domestic content after just 4 years of production. And that percentage is increasing each year.

But for that remarkable record, the Kentucky plant is subjected to a punitive attempt to change the rules of the game and substitute a method of measuring domestic content known only to the authors of this amendment, a method of measuring content that has not been debated in committee, on which no hearing has been held.

So why is this punitive, discriminatory amendment being offered today? Why is the gentleman from Michigan trying to impose a domestic content requirement on the plant in my district that other plants in my State and elsewhere wouldn't have to meet?

Well, I will tell you why. The dirty little secret behind this amendment is that it discriminates against my plant simply because of its Japanese parentage.

After all we have been through in this country in trying to stamp out racism and discrimination, and after all we thought we had learned about segregation, here is an ugly, despicable amendment that dares to suggest to this body that you place the Georgetown, KY, Camry plant in an economic internment camp.

Is that what this House wants to do today, go back 50 years to those "bad days at Black Rock"? The Japanese-American internment camps were wrong, and this Congress and this Government has recognized that.

Putting Kentuckians—Americans—in an economic internment camp today is just as wrong and even more despicable because we should have learned from our past mistakes.

The insulting intent of this amendment doesn't stop there. It establishes a nebulous domestic content requirement and a 1994 deadline, which the sponsors know is probably impossible for my Kentucky plant to meet.

The gentleman from Michigan represents an automotive State; he knows that parts sourcing involves long lead times. But knowing that, what does his amendment do if the Georgetown plant does not meet his unrealistic requirements?

He establishes a retaliation process under section 301 of the U.S. trade laws, a process that will jeopardize the jobs of 4,000 to 6,000 Kentuckians, men and women who work hard, pay their taxes, and hope for a better life for themselves and their children.

These Kentuckians are an exceptional group. They have amazed everyone in the automotive industry with their adaptability, their productivity, and the excellence of their work. The cars they are building in Georgetown are so good that they are being exported.

In recognition of their outstanding work, they will be the primary producer of the new Camry wagon, which will be exported to Japan, Europe, and Canada. This will be the first time a Toyota vehicle built outside Japan will be sold in Japan.

Total car exports from the Georgetown plant will exceed 20,000 units, and

that helps to lower the U.S. trade deficit.

In a perverse and ironic way, I suppose it could be said that this terrible amendment pays the ultimate compliment to the men and women who work at the Georgetown plant. And it's the ultimate insult to the men and women of Detroit's automotive industry.

This amendment is the gentleman from Michigan's public assertion that the workers in this State can't compete with their Kentucky counterparts. Think of that.

He thinks Detroit, with a 100-year head start, can't cut it in competition with a group of Kentuckians who've been building cars for only 4 years.

His amendment says, "Please, Congress give us more than a level playing field; handicap our competition." He's saying, "Please, Congress * * * you've proven you could screw up almost anything; now, go down to Kentucky and tell those people how to build a car, and who to buy their parts from, and where to get their materials. And by the way, Congress just overlook the fact that those workers you're going to discriminate against happen to be Americans because they work for foreigners.

"So that makes it all right to discriminate against them. It's alright to impose a requirement on them that is not imposed on any domestic company, any German company, any Korean company, any Canadian company, any British company, any Italian company. It's alright for Congress to meddle and micromanage and undercut all the noble talk about fair play and a level playing field and a global economy and fair trade."

That's what this amendment is saying, and that's why it should be rejected.

This amendment is an insult to all that America stands for. It is an insult not just to the Kentuckians I represent; it's an insult to the auto workers in Michigan.

And, yes, I know something about those men and women. Sixty years ago, a young couple named Glenn and Louise Hopkins left western Kentucky and moved to Detroit, MI, in search of jobs during the depth of the depression. And like a lot of Kentuckians, they found jobs there, and they began their family there.

Their son, born in Detroit in 1933, stands among you today, telling you that the auto workers and parts suppliers of Detroit do not need this amendment, do not need Big Brother in Washington imposing a handicap on the competition in order for them to succeed.

I urge you to honor the automotive workers in Michigan and Kentucky and throughout America by rejecting this amendment today. I ask you not to punish thousands of good Americans just because they happen to work at a plant in Georgetown, KY.

Do not make an economic internment camp out of the Camry plant in my district. Say "no" to this unprecedented, unwarranted, dangerous intrusion by the Federal Government. Say "no" to this transparent attempt to isolate America from the realities and opportunities of a competitive global economy. Say "no" to this bad amendment.

□ 1500

Mr. LEVIN of Michigan. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I just want to answer the comments of the gentleman from Kentucky [Mr. HOPKINS]. All the amendment does is suggest that the Japanese should carry out the agreement announced at Toyko. That is what it says, and to start throwing around epithets I think is so totally unwarranted in this Congress.

Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I thank the gentleman from Michigan [Mr. LEVIN] for yielding this time to me, and I want to give congratulations to him and to our majority leader, the gentleman from Missouri [Mr. GEPHARDT] for bringing this Super Bowl of trade issues before the Congress of the United States today.

In fact, it is important that we tackle this issue because it is the most important question that divides us as two superpowers in the world today. The automotive segment of the deficit between the United States and Japan is the Super Bowl trade issue of the day.

Mr. Chairman, the Gephardt-Levin amendment simply puts the weight of law, through this amendment, behind the agreements that President Bush negotiated with Japan last January. The amendment is about opening Japan's market, opening their procurement practices and the way that their companies behave here, ensuring that there is a two-way street with our goods going there, and their goods coming here, allowing our firms and their firms to bid on parts of production equally. And, it is also about putting our foot down after 7 years of United States-Japan trade talks in the automotive sector that have been fraught with delay, meager results, and a worsening trade deficit.

Mr. Chairman, this chart says it all. It indicates that in the United States today a minimum of one-third of our market is consumed by imported vehicles, at least 29 percent of them from Japan in any given year. In Europe, of course, they cap their imports at about 16 percent. But in Japan, less than 3 percent of their market is composed of automotive goods from anywhere else in the world. There are 150 nations in the world today, but the United States holds a massive trade deficit with only one of them: Japan. And half of that deficit is in the automotive sector.

That is why I call this the Super Bowl issue of trade. What this amendment is about is opening up Japan's market, not just for the sake of the United States, but for the sake of the world.

Japan marks up the cost of our vehicles by 33 percent when we are allowed to get them in there. They exclude our spare parts from their various retail stores. They do not allow our cars to be sold in their dealerships, yet they have their cars in over 4,000 U.S. dealerships.

By golly, one of our companies offered them free spark plugs in production back in 1975. They refused to take them.

What this amendment is about is saying enough is enough. Trade has to be a two-way street. Support the Gephardt-Levin amendment.

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to the Gephardt amendment and to H.R. 5100, the so-called Trade Expansion Act. This is nothing but a flawed protectionist bill with a very misleading title. It is no coincidence that the Democratic leadership has brought to the floor less than a week before the Democratic National Convention this special interest measure which unless significantly modified will only result in a showdown with and veto by President Bush.

Today's tough economic challenges demand real solutions to effectively improving trade, not this election year political grandstanding which panders to certain unions and special interest constituencies. The sad irony is the Democratic majority is using this measure to claim it is creating jobs and bolstering U.S. productivity when, in reality, their own bill could do just the opposite. Cynically, the worst results would most likely take effect after the November election and the Democrats will gear up their propaganda machines to blame the Republicans, especially President Bush, for their own folly. Let's recognize this measure for what it really is: political expediency, not good trade policy.

Since 1989, the United States has regained its position as the world's No. 1 exporter, selling a record of $422 billion in merchandise exports abroad last year. It is expected that this year will result in over $610 billion in exports of goods and services. Seventy-five percent of our economic growth has come from exports. Each $1 billion in exports supports roughly 20,000 export-related jobs, and these jobs pay 17 percent more per hour than the average U.S. wage. We are seriously risking these promising developments with today's bill all for the sake of political expediency.

History has proven time and time again that further improvements in trade come not from increasing protectionism, but through expanding free and fair trade. Our experiences with the disastrous Hawley-Smoot Tariff Act which helped trigger the great depression of the 1930's is just one example. H.R. 5100 represents more of the former problem, not the latter solution.

It is no wonder that this Democratic special interest legislation is opposed by a wide spectrum of the American business and agricultural and consumer communities, including many in my district. These are key industries like auto retailers—and, ironically, this bill claims to help the auto industry—consumer goods producers like Procter and Gamble and the National Cattlemen's Association. It is also strongly opposed by the State Department and the U.S. Trade Representative resulting in a much deserved veto by President Bush. For the record, I am submitting a letter I received from Ambassador Carla Hills, the U.S. Trade Representative, providing further details about the administration's concerns.

Enactment of this bill will, most likely, be viewed by our trading partners as an opening salvo in a new trade war triggering retaliation by our trading partners. That, in turn, hurts U.S. exporters and U.S. economic growth.

At present, we are successfully negotiating new fair trade agreements both bilaterally with countries like Japan and multilaterally through the GATT Uruguay round. The mandatory extension of Super 301 provisions and the mandatory 301 investigations of specific concerns, like Japanese auto trade, would undermine our flexibility in negotiating new market-opening efforts and lead to counter retaliation.

Specifically, I am concerned that the extension of Super 301 assumes the failure of the Uruguay round. It has not failed. I am not opposed to considering a new Super 301 statute, but only after we have finished our best negotiating efforts and it is determined then that such legislation is necessary. Clearly, there are countries, like India and Japan, which are not trading fairly with the United States and should be investigated and pressured to change their policies. The Bush administration is doing just that through a variety of means and has assured me it will use whatever tool would be most effective, including reciprocal, punitive tariffs, and other trade barriers. Congress should not be micromanaging these efforts and unilaterally deciding there will only be one tool available. But, in essence, that is what this bill does.

Congress will have ample opportunity to review and, if needed, adjust United States trade laws when considering the results of the Uruguay round and the North American Free Trade Agreement negotiations. Unfortunately, this bill is prejudging an incomplete process and, in fact, adding constraints that could jeopardize our gains in these negotiations and their promising results for the future. In no way does that really help U.S. jobs and the economy, it only helps pave the path to failure and recession.

I am opposed to H.R. 5100's continued discrimination against American automotive parts workers in so-called transplant firms. While the bill requires negotiations to open Japan's market for American automotive parts, the bill only protects plants owned by and controlled by United States citizens. Hence, American workers in other plants are treated as second-class citizens forced to find their own export markets. That is not fair.

I am also very concerned that because this bill specifically addresses the concerns of only the rice and auto parts industries, it sends a very erroneous message that these are our only market access concerns. That's not so, especially in my district. Why are these industries given first-class protection at the expense of others? That is not fair either.

I am shocked that the Ways and Means Committee deleted a provision in the bill expressing the sense of Congress that the United States embargo of Cuba should be maintained. This is a purely political move to pander to the leftwing elements in the Democratic Party who want to lessen the pressure on one of the last Communist dictatorships in the world, Castro's in Cuba. There is no better time than today to increase the pressure on Castro, who has been losing all his Communist allies including the Soviet Union. In fact, making its way through Congress with strong support is a measure to further strengthen the embargo and, hopefully, expedite Democratic change in Cuba. The deletion of the anti-Castro language in the bill undermines this effort and sends the wrong conciliatory message to Castro at the absolutely wrong time.

I am also opposed to new tariffs in the bill. As I have pointed out, new tariffs and nontariff barriers like mandatory quotas have repeatedly proven to be the absolutely wrong prescription for improving trade. Some of these tariffs will actually decrease revenue, further exacerbating the trade and Federal budget deficits.

It is the consumer who ultimately pays for the increase in tariffs, not the foreign producer. That is particularly true for raising the tariff on foreign minivans and other vehicles. The last time this issue was raised, it was for an increase on the tariff on sport utility vehicles. Many of the same arguments were made. What was the result of the tariff? The consumer ended up paying more for the same vehicle and, consequently, purchased fewer. That hurt the American producers of sport utility vehicles. Even more disturbing was that instead of taking advantage of the tariff to undersell Japanese vehicles, substantially improve the quality of American made vehicles and increase their market share, the United States manufacturers simply raised their prices. Unions and management did not effectively use this gift from the Government to address the underlying problems of their competitiveness, they merely prolonged them. Ultimately, only consumers and auto retailers were hurt.

The Port of Hueneme, which is associated with my district, is a major import point for foreign vehicles, including Mazdas. My district, like much of California, contains many quality auto retailers who sell foreign made vehicles. New tariffs, quotas, and other restrictions will directly and negatively affect these important sources of local employment, particularly since the vehicles in question represent over 16 percent of gross sales profits for many local dealerships. They will not provide any new local employment opportunities to offset these losses.

For consumers, competition would be reduced further. I understand that domestic manufacturers already have 89 percent of the market. With less competition, certainly there will be less incentive to keep prices down and quality up. Consumer choice would also be reduced.

These basic factors, coupled with the sport utility experience, makes the bill a lose-lose proposition for my constituents and millions of other Americans. Under these conditions, this measure just does not make sense.

While this bill does contain a few positive measures, such as customs modernization, these merits are significantly outweighed by its unacceptable costs. Despite the slick rhetoric, this is not a trade expansion bill, it is a trade contraction bill based on election-year political expediency. While it may give some politicians short-term gains, it will saddle the American public and economy with long-term costs. I urge my colleagues to join me in opposing this flawed legislation.

U.S. TRADE REPRESENTATIVE,
Washington, DC, July 2, 1992.

Hon. ROBERT J. LAGOMARSINO,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE LAGOMARSINO: I am writing to express the Administration's strong opposition to H.R. 5100, the Trade Expansion Act of 1992, which was reported favorably by the Ways and Means Committee on Tuesday, June 16. For the reasons explained below, if this bill is presented to the President, I would recommend that he veto it.

Despite its title, the effect of this legislation will be trade contraction, not trade expansion. Many of the bill's provisions threaten to close markets, not open them. Thus, this bill would be particularly destructive at a time when the U.S. economy and job creation are enjoying sustained support from strong export growth:

Since the Bush Administration took office in 1989, the United States has regained its position as the world's Number 1 exporter, with over $610 billion in exports of goods and services expected this year;

In recent years, 75 percent of our economic growth has come from exports;

Each $1 billion in exports supports roughly 20,000 export-related jobs, and these export-related jobs pay 17 percent more per hour than the average U.S. wage.

H.R. 5100 would jeopardize that job-creating export growth and send the United States down an ill-conceived path that would lead to cycles of adversarial trade retaliation and economic contraction.

I have had the opportunity to study this legislation carefully and believe it would fail to meet its goals. H.R. 5100 contains provisions that would: eliminate the flexibility required to negotiate market-opening agreements and could lead to retaliation by our trading partners; boomerang against U.S. exporters; be challenged by our trading partners as inconsistent with our GATT obligations leaving us vulnerable to forced compensation or retaliation; and, undermine ongoing bilateral negotiations as well as the Uruguay Round of global trade talks.

This Administration shares with you an understanding of the importance of trade. Indeed, working together, we have made tremendous progress in creating jobs at home and new export opportunities abroad. However, this progress would be threatened by the bill before you. (Enclosed is a fact sheet outlining the bill's potential adverse impact on U.S. exports generally, and your state's exports in particular.)

We are convinced that the market-opening negotiations we have underway, and the aggressive use we are making of existing trade laws, are the best way to ensure continued trade expansion abroad and job creation at home. We are fully engaged in the Uruguay

Round of global trade talks, and are on the verge of completing the North American Free Trade Agreement. We are also expanding trade with the emerging democracies of Central and Eastern Europe, the former Soviet Union, and Latin America, and are opening markets throughout the dynamic Pacific Rim, including Japan.

At the same time, the Administration is aggressively implementing U.S. trade laws: we have initiated 19 section 301 investigations; we have never rejected a section 301 petition; and we have not hesitated to take strong action to address trade barriers when warranted, working closely with industry and the Congress.

In sum, then, we are opening markets worldwide; now is not the time to abandon a successful strategy and begin to raise barriers to trade. Instead, the Administration and Congress should continue to work together to support the entrepreneurial, market-oriented, economic policies that have made the United States the world's top exporter.

Sincerely,

CARLA A. HILLS,
U.S. Trade Representative.

Mr. CRANE. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, this bill and this amendment might be better titled the Trade Reduction Act of 1992 or, more importantly, the Job Reduction Act of 1992.

I recently returned from my State where I visited a plant that supplies, not only Honda, but Ford Motor Co. and General Motors as well, and it employs 300 people, and I had an opportunity to meet almost all of those people, good, hard-working Americans, who reside in northwest Ohio, who are very proud of their jobs and who would be threatened, if not concerned, about the elimination of their jobs under this particular proposal. I have a Ford plant in Lima, OH, that employs 2,500 people; a General Motors plant in Mansfield, 3,200; Honda engine plant which employs over 2,000, and Honda alone employs over 10,000 people in the State of Ohio. That is just direct employment. They are very concerned about this type of protectionist legislation. Why? Because they have been successful.

We said, "We're really worried," a few years ago, "about the flow of imports into this country, and so, Japan, you better get it right. You better build plants over here and employ Americans," and they did exactly that. They did exactly that, and they came to my State, and they became, not only a large builder of American automobiles, but even export 7,000 vehicles to Japan. Those are high-quality, high-paid, high-technical jobs that are being threatened under this particular legislation.

I heard one of my colleagues who speaks for the consumer talk about where are those great consumer groups that propose to speak for the consumer that we hear from all the time in committee. I have not heard a word from them. Apparently they are not particularly concerned about consumer choice and what they have to pay in the marketplace as to what kind of automobile they want to drive. This is essentially the oldest trick in the book to try to limit the ability of these companies, these transplants, to grow and prosper.

How am I going to go back to those people in Ohio and say, "Well, the Congress has a better answer. We're going to cripple you so that the other companies can compete." It would not be so bad if I felt this would be effective in preserving some jobs in the American auto sector, but it will not.

Make no mistake about it. This will not preserve any jobs. It will just simply make us less competitive in a world economy.

Mr. Chairman, I recently saw an editorial in the Marion Star that I think accurately points out the situation. It says, and I quote:

> Honda of Ohio has been a great benefit to the economy of the area and the quality of life in the area, and is a major factor that will influence our present population and future generations to stay and raise their families and work in our community.

That really says it all. Defeat the Gephardt-Levin amendment. Defeat this legislation.

Mr. LEVIN of Michigan. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Chairman, let me say to my distinguished colleagues that we are losing our domestic auto industry. The unrelenting onslaught of foreign competition from the Japanese has whittled down the United States industry's share of the domestic auto market. At the same time—our companies still face formidable barriers to sales in the Japanese market.

U.S. auto manufacturers have seen their share of the U.S. auto market drop tremendously from over 99 percent in 1951 to less than 67 percent today. In the past 10 years, we have accumulated over $1 trillion in trade deficits. Over $400 billion of this is attributable to Japan—much of which is in the automotive industry.

We simply cannot afford to let this continue. The automotive industry is an essential part of our economy and a vital part of our manufacturing base; 14 million jobs depend on it.

If the automotive industry were to go under, 1 out of 7 Americans would be put out of work. And with it would go our capability to build heavy machinery, tanks, and vehicles—the most essential components of a strong defense.

I strongly support the Gephardt-Levin amendment. In fact, I think we should be going even further. I had wanted to offer an even more forceful amendment to actually establish the standard set in the European Community-Japan Agreement on Market Penetration as the basis for Japanese access to United States markets.

Japan's share of the EC market is presently 11 percent. Under the new EC-Japan accord, Japan has agreed that its share of the EC motor vehicle market should be a maximum of 16 percent by 1999.

The EC and Japan have, in effect, established a world standard for determining Japan's fair market share in a country's motor vehicle market and use of domestically produced parts.

Japan's share of the United States motor vehicle market is currently 30 percent, without any limits.

I would like our country to use these same definitions of market share and domestic content—and actually set a target for Japan's share of the United States market at 16 percent by 1999.

Mr. Chairman, what this debate is really about is jobs, jobs, jobs. Manufacturing jobs in the automotive industry are an important component of our economic security. The automotive industry is not just the people who are involved in the direct production of cars. It is also the people who work in industries crucial to the production process: steel, rubber, plastics, glass, textiles, aluminum, machine tools, chemicals, and electronics. The auto sector directly and indirectly accounts for about 12 percent of U.S. gross national product.

It is time that we recognize that our economic security is a vital part of our national security and take steps to ensure that our manufacturers and businesses are on equal ground with worldwide practices. The Gephardt-Levin amendment is an important first step in this direction. I urge my distinguished colleagues to support it.

□ 1510

Mr. LEVIN of Michigan. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the amendment because of the critical importance for jobs in this country and to our whole economy of the U.S. auto industry. I think it is very important for us to understand that worldwide there is excess production capacity, and what is happening is people are being squeezed back around the world, except not everywhere, and the fact is we have already been squeezed dramatically in this country, we have already seen a scaling back of jobs, of productive investment in this country, and seen a transformation of our industry to be more competitive.

Mr. Chairman, what we are talking about here is simply the compliance with the public pledges that were made by the Japanese Government with the Bush administration on how they would behave. This should not invite any kind of retaliation, because all we are doing is writing into law what they said they would do anyway.

The fact is as long as the European market restricts itself and restricts Japanese imports there, the pressures only grow to push those imports into our market.

Mr. Chairman, this is fair. This is critical to jobs in this country, and I believe will lead to an international fairer situation for all concerned.

Mr. LEVIN of Michigan. Mr. Chairman, may I inquire how much time each side has remaining.

The CHAIRMAN. The gentleman from Michigan [Mr. LEVIN] has 13 minutes remaining and the gentleman from Illinois [Mr. CRANE] has 12 minutes remaining.

Mr. LEVIN of Michigan. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Chairman, I thank the gentleman for yielding time and also for his leadership role on this very important amendment.

Mr. Chairman, in January, the Government of Japan promised President Bush one more time to cooperate with the United States on the importation of auto parts. This amendment supports that promise with a monitoring system which will ensure that the commitments made by Japan are implemented.

No rhetoric, no economic theory can replace the need for this country to demand respect from other nations in any of its negotiations. The pattern of broken Japanese promises is well documented in the microelectronics industry. The cases of dumping and pillaging through our marketplace by that nation goes back to the destruction of our domestic television industry in a conspiratorial action by the major Japanese electronics companies in the late 1970's.

Then there were the machine tools and ball bearings. Now, it is the automotive parts industry.

All along the way we have been sweet-talked by the Japanese that the high level of exports to the United States will drop. Yet, every month the gap increases. A recent MITI statement suggests that the way to lower Japanese exports to the United States will be to have more Japanese companies onshore in this country export their products back to Japan. There was no call from MITI for Japan to buy more United States-produced products by United States-owned companies—no—only from their own.

Similar calls were made to Japanese-owned firms in other countires—export more to the homeland to keep its trade deficit down.

The Japanese intent is clear. What is theirs is theirs, what is ours should be theirs also.

Let us put a stop to this, here and now. Vote for the Gephardt-Levin amendment. Support American jobs.

Mr. CRANE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Indiana [Mr. BURTON].

Mr. LEVIN of Michigan. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana [Mr. BURTON].

Mr. CHAIRMAN. The gentleman from Indiana [Mr. BURTON] is recognized for 2½ minutes.

Mr. BURTON of Indiana. Mr. Chairman, I thank both of my colleagues for yielding. This spirit of camaraderie is unusual.

Mr. Chairman, let me just say that I have always been a free trader and believed in free trade, but I think that we have been raked over the coals, by the Japanese for a long time and I think it is long enough.

In 1991, the total U.S. trade deficit was $67 billion worldwide, down from $102 billion in 1990. That is a $35 billion decrease, and that is good, because that meant American jobs were coming back home. We were producing things here and exporting them.

But the fact of the matter is at the same time that our trade deficit was improving with Japan it went from $41 to $43 billion. That $43 billion trade deficit represents 860,000 American jobs. For every $1 billion in trade deficit, it cost us Americans 20,000 jobs. You multiply 43 times 20,000, and you get 860,000 Americans who have lost their employment because of this trade deficit.

The Japanese Government promised the President of the United States that they would import $2 billion more in auto parts from the United States of America. What is wrong with putting that into law? They have made promises in the past that they have not kept, so why do we not put this under 301 and make the President force the Japanese to adhere to the promises they made?

They promised to increase their importation of automobile products, their importation of automobile parts, and their importation of cars from $10 billion to $19 billion, which would further close that trade deficit. What is wrong with putting that into law? They said they would do it, so if we put it into law we will just make sure it gets done.

They promised before, but they did not comply. They said they were going to increase from 50 to 70 percent the amount of American-made parts that would be put into Japanese cars here in the United States, manufactured and produced here. What is wrong with putting that into law?

Now, in the case of an economic emergency, the President under section 301 can circumvent what we are doing here today. If it is a real economic calamity he can say this is not in the best interest of the country and we do not have to comply with this. But if we are not in an economic emergency, he can force the Japanese to live up to the commitment they made.

If we are really concerned about American jobs and really concerned about the economy, which is in the doldrums right now, we should pass the Gephardt-Levin amendment.

Mr. LEVIN of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Chairman, I rise in support of this measure. The opponents of the measure kind of remind me of the football coach who goes on television Sunday morning and says that his team had the most first downs and the fewest fumbles, but fails to mention that they not only lost, but lost big.

They say we are the world's biggest exporter. They fail to mention that we are the world's biggest importer, with over a $100 billion trade deficit last year, $45 billion of which was to the nation of Japan alone.

They say that 70 percent of the new jobs are caused by exports. I think that 99 percent of the jobs that are lost are caused by imports.

Go to the store. See what is on the shelves. We invented the fax machines in this country; they are made in Japan. We invented the VCR's; they are made in Japan. Bit by bit we are giving away the American dream, because the American dream has been American manufacturing.

Mr. Chairman, if you care about this country, I encourage you to vote for this measure. It is a weak measure, but it is certainly better than no measure at all.

Mr. CRANE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California [Mr. HUNTER].

Mr. LEVIN of Michigan. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. HUNTER].

The CHAIRMAN. The gentleman from California [Mr. HUNTER] is recognized for 4 minutes.

Mr. HUNTER. Mr. Chairman, I thank the gentlemen for yielding.

Mr. Chairman, I think the first question we as Republicans have to ask ourselves is do we want to pull out of the recession? Because if we want to pull out of the recession, we are going to need, whether we live in San Diego, CA, in Indiana, New York, or wherever, to look at the automobile industry, because the automobile industry accounts for about 4.5 percent of the gross national product of this country. It has a six to one multiplier ratio, and that means that one job in the auto industry produces six jobs in other supportive industries.

Let me just ask my colleagues, do you care about the semiconductor industry, do you care about the steel industry, do you care about the glass industry, do you care about the rubber industry? Do you care about the hundreds of other attendant industries that support the auto industry? If you do, you are going to have to come to the conclusion that we cannot pull out of this recession with a 62-percent

plant capacity utilization by the auto industry.

The auto industry is darned important. It is darned important to conservative Republicans in San Diego who have no auto industry or workers in their district, and it is important across the length and breadth of this country.

Time after time my colleagues have strode to this well and spoken of the Republican idea of free trade.

□ 1520

Let me set the record straight. The Republican idea and the Republican tradition is not one of free trade. The founder of this party, Abraham Lincoln, was adamantly against free trade. And he said, and I quote:

> The abandonment of the protective policy—

That is a bad word now but a good word then—

> The abandonment of the protective policy by the U.S. Government must result in the increase of both useless labor and idleness and so, in proportion, must produce want and ruin among our people.

Theodore Roosevelt, who brought this country into the biggest economic resurgence in its history in the early part of this century, opened up one of his speeches with the words, "Thank God I'm not a free trader." Teddy Roosevelt said:

> One consideration which must never be omitted in a tariff change is the imperative need of preserving the American standard of living for the American working man.

Prescott Bush, the father of the President of the United States, as a U.S. Senator voted against the John Kennedy free trade bill of 1962, along with a couple of other conservatives, STROM THURMOND and Barry Goldwater. And he also helped put the plank in our party that provided for a consideration against injury by foreign goods coming into this country. That was the noninjury clause that our party carried proudly for over 100 years.

So if we as Republicans want to ask ourselves who do we stand with in terms of Republican leadership, it is probably not with the guy wearing the alligator shoes who represents the auto parts industry of Japan. It is probably with the Republican founders who are on Mount Rushmore.

The Republican tradition has traditionally been and should continue to be one that calls for quid pro quo. That means getting something for that which one gives. We have a business deal with Japan. The business deal that they think we had is that they have an advantage of $40 billion a year which translates into 1 million jobs lost for Americans. They are not going to change that deal until we use some leverage to make them change it.

President Bush got a commitment from the Japanese in January. We are codifying and enforcing that commitment. We are supporting the President. We are supporting 2,000 young people who are getting out of the service every week who need jobs. We are supporting the traditional Republican position on trade. Vote for this amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes and 30 seconds to our distinguished colleague, the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, as one of the original founders of the auto parts caucus, I rise in opposition to this amendment. The work that we have done through the caucus, coupled with the negotiating leadership of our Government, has moved us toward resolution of the problems we face. By negotiating solutions rather than protecting industries, we have required our own companies to upgrade their equipment, to produce products of top quality and to be sensitive to the Japanese market as we seek for them to be sensitive to our needs to enter their market.

It is absolutely true, the Japanese market has had unfair trade barriers that have kept American products out. It is also absolutely true that the American automobile companies have not been willing to make an automobile that was sensitive to the needs of Japanese consumers.

But look where we are today. All three of the big auto companies in America for the first time have announced that they are going to produce a car that Japanese consumers will find to be appropriate to the way that they drive and their driving needs. One of those companies will have that car this year. The other companies will not even have such a car for a couple of years.

Meanwhile, let us see what is happening on the negotiating front. Through the process of negotiations, through the pressure that our Government has put on the Japanese, Japanese automakers have eliminated prior consultation clauses in contracts with dealerships. In addition several important standards and certification requirements that have impeded the access of U.S. vehicles have been eliminated. Problem after problem, unfair trade barrier after unfair trade barrier has been negotiated away.

In sum, by the time our cars are ready to be marketed in Japan, that market will be prepared to receive them.

I want to make one other point. My interest in this has been not so much with the American auto industry as with the American auto parts industry, which is critical to the industrial base in America that supports every other manufacturing sector. And in that area, I report to you that it took the auto parts caucus the first 3 years of our existence, from 1983 to 1986 to get the American auto parts industry to decide what their agenda would be if the American negotiators would engage Japan in talks on their behalf. It took us that many years of their meeting in Washington for them to figure out what they would want their Government to do with them. At the same time we pressed the Reagan administration to put auto parts on the Moss agenda and finally Moss talks, with an industry-directed agenda commenced.

As a result of those efforts, our negotiators now never go to Japan without American auto parts people consulting closely with them. We have a very active auto parts advisory committee to the Department of Commerce that is involved in every step of the way of setting negotiating objectives, documenting the need for changes and being a part of accomplishing them. So auto parts has been very much at the top of the United States agenda with Japan and with good results over time.

In fact, MEMA, the organization that represents American auto parts makers, has experienced just in the last year, just since the President's agreement with Japan, an 80 percent increase in activity and a clear increase in United States contracts between United States parts suppliers and Japanese buyers. So in auto parts it is happening. We are accomplishing our goals of getting into the Japanese market at the design stage and selling more American auto parts to Japanese transplants.

In the auto industry, opening the market would not have mattered if our own companies had not been willing to create the products that would serve Japanese consumers. Now, with products being developed and markets being opened as a direct result of Presidential leadership, we can assume the same success.

Trade is a two-way street. The threat of mandatory actions by one party does not create reciprocal trade, and it certainly does not create the kind of friendship that, in the international community, provides prosperity and security.

Mr. CRANE. Mr. Chairman, I yield 2½ minutes to the distinguished chairman of the Subcommittee on Trade, the gentleman from the great State of Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Chairman, the figures I have just taken down are correct. I do not disagree with them. As I said in my opening remarks, one of the reasons we did not sell cars in Japan is because we just did not try. It was not our strategy, and we did not make it at the business level a big push to sell cars in Japan.

I hope we are trying. I hope we are really trying to sell parts there.

The question, though, that arises is, Why does the great majority of the rest of the American business community oppose the Levin amendment? Because

they see it as a violation of a cardinal principle that we have developed in our international trade policy. That is, national treatment.

What do I mean by national treatment? I mean by national treatment that we will treat the foreign subsidiaries, those subsidiaries doing business in our country, the same way we treat our own subsidiaries, our own businesses. And likewise, on a reciprocal basis, they will treat our foreign subsidiaries doing business in their country the same way they treat their national companies. National treatment.

If my colleagues stop and think about it, it makes good sense. It is what has allowed us to vastly expand our trade opportunities around the world. Where were we just 20 years ago? Just 20 years ago the total exports of the United States were only about $20 billion or $25 billion. Today the exports of the United States are half a trillion dollars, $500 billion. From $25 billion to $500 billion, they have grown that much with a concomitant employment that goes along with it.

This has raised our position in the whole world trading system from second or third largest exporter to the largest exporting country on Earth.

□ 1530

Yes; we have got some problems. One of the reasons we have done so well is that our currency has been appropriately valued. For many, many years our American products had to labor under a vastly overvalued dollar. That overvalued dollar caused us to be very uncompetitive as far as products are concerned. Our dollar is now perhaps only slightly overvalued, not massively overvalued, as it was.

Mr. GEPHARDT. Mr. Chairman, I yield 30 seconds to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, there is one point of ambiguity in the statute, and that is whether or not the amendment is intended to militate against companies that may be partly foreign-owned as long as 100 percent of the production is American.

Under that circumstance, is that kind of joint venture a U.S. company?

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. Mr. Chairman, I would say to the gentleman from Iowa [Mr. LEACH] that the amendment does not distinguish in meeting the 70 percent that the Japanese Government pledged between American companies, Japanese transplant parts companies here, or combinations thereof, so there is no discrimination between Japanese companies and American or hybrids, none.

Mr. LEACH. As long as they are produced here. So the answer is no discriminaiton is intended?

Mr. LEVIN of Michigan. If the gentleman will continue to yield, yes, the answer is none is intended.

Mr. LEACH. I appreciate that answer from the gentleman from Michigan.

Mr. CRANE. I would ask the Chair how much time we have remaining.

The CHAIRMAN. The Chair will advise the Members that the gentleman from Missouri [Mr. GEPHARDT] has 5 minutes remaining, and the gentleman from Illinois [Mr. CRANE] has 4 minutes remaining, and the gentleman from Illinois [Mr. CRANE] will have the right to close.

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

Mr. Chairman, I rise in opposition to this amendment and to the idea that sweeping quotas on automobiles should be a permanent part of U.S. economic and trade policy. This bill would directly undermine market openings achieved by the President in his recent trip to Japan.

It offers instead a return to the failed VRA policies of the past and a program of discrimination against transplant auto and auto parts manufacturers.

A mandatory VRA on auto imports from Japan will, as it did during the 1980's, cost consumers billions of dollars in increased car prices. The Congressional Research Service has shown that the 1981 VRA's inflated car prices by $1,200 for United States cars and $1,700 for Japanese cars.

American families cannot afford to pay the bill for another Detroit-sponsored round of protectionism.

The result of the auto VRA of the 1980's was increased competitiveness of Japanese manufacturers who pushed forward with development of the Lexus and Infinity models. At great cost, this period of protection only delayed competitive adjustments crucial to the long-term survival of Big Three automakers.

The amendment also undermines recent achievements made by the President in bilateral negotiations with the Japanese on autos. By unilaterally redefining the understanding reached with the Japanese auto manufacturers who, have voluntarily agreed to increase purchases of United States parts, we would jeopardize the President's credibility in conducting negotiations. For Congress to change the nature of the understanding between the two leaders, and subject it to unilateral enforcement mechanisms of trade retaliation, will only be interpreted by Japan as an act of bad faith.

Finally, imposing a 70 percent domestic content requirement on U.S. firms because they are foreign owned goes against the grain of American values of equal treatment under the law. Without the ability to source worldwide, the value and future outlook of their enterprises is severely eroded. The Big Three themselves use large amounts of foreign parts, as competitors in this international industry.

The Journal of Commerce reported earlier this week that Customs is currently beginning an investigation to determine whether a Big Three auto manufacturer is using sufficient domestic components to claim duty-free status under the Canada Free-Trade Agreement. To constrain sourcing of components is discriminatory and puts a noose around the neck of Japanese manufacturers who employ United States workers.

We cannot afford to further intimidate job-creating foreign investment in the United States.

Furthermore, U.S. firms have over $400 billion of investments abroad which would be in jeopardy of facing mirror sourcing restrictions aimed against U.S. parts and components.

Mr. Chairman, I oppose this amendment because it creates different economic treatment for employees in auto factories in Kentucky or Ohio depending on whether they are owned by foreign investors.

Their management will no longer have the freedom to source their parts worldwide—or even from foreign-owned firms that make auto parts in this country.

In my view, the international competitiveness of Detroit auto producers and their future viability depends on their exposure to international market forces.

Mr. Chairman, I would remind my colleagues, too, that it was Grover Cleveland, a Democrat President, who pointed out that protectionism, which unfortunately was embraced by my party under William McKinley, exacts its toll by the sweat of the brow of that person who earns his daily bread that way in the marketplace.

Our distinguished Ways and Means chairman, Mr. ROSTENKOWSKI, wisely saw fit to strike this appalingly misguided legislation from H.R. 5100 in committee. Please follow his committee leadership and vote no on the amendment.

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

Mr. CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I yield myself the balance of our time.

The CHAIRMAN. The gentleman from Missouri [Mr. GEPHARDT] will be recognized for 5 minutes.

Mr. CRANE. If the gentleman from Missouri is going to close, Mr. Chairman, I yield back the balance of my time.

Mr. GEPHARDT. Mr. Chairman, the distinguished chairman of the Subcommittee on Trade said a few minutes ago that the reason that we have not sold cars in Japan is that we have not tried, and there is truth in his statement. But I would like to address Members' attention today to why we have not tried.

I was in 10 automobile plants in the United States in January, and I asked that very question in each plant. I asked that question of the heads of our three auto companies:

Why have you not tried harder to sell automobiles in Japan? As the chart shows, there is only a 3-percent penetration of the Japanese market, 15 percent in general of the European market, the largest market in the world, and 30 percent of the American market. The obvious answer to our problem is to do better in Japan. Why have you not tried?

The answer that consistently came back was, the reason they did not put the wheel from the left to the right or the right to the left or move the various things around was because it would do no good. They said to me, "It is impossible to penetrate the Japanese market." One of the auto executives said to me, "They add $12,000 of costs to an American car coming there that are not added to a Japanese car coming here," so they said, "No matter what we do, we will not be able to penetrate that market."

This issue is the key to this amendment. How do we get our auto manufacturers to do the hard work over the next 10 and 20 years that will get them adequate success and access to the Japanese market? We think this amendment does that. It asks the President to go negotiate an auto policy with Japan. Europe, the largest market in the world, has one. They did not negotiate it. They sent a letter to Japan and they said, "You get 15 percent of the largest automobile market in the world. Thank you, and have a nice day." No negotiation, no communication with the United States, unilaterally achieved. That is the largest market.

Japan is the largest producer of automobiles and automobile parts in the world. If they are limited to 15 percent of the largest market, Europe, where do we think the rest of the cars are going to go? And at the same time we do not have access to their market. So we ask the President to go negotiate with Japan an auto policy.

Second, we say, "Please, Mr. President, let us enforce the agreement we already have, which is a good one. Let us make sure they live up to it, that we actually get the kind of purchase of American automobile parts and the transplants that the Japanese have pledged to try to reach." So this is a reasonable approach. It is not protectionism. It is the opposite of protectionism.

□ 1540

Final point. When Members go to vote on this amendment think of the people in this country employed in the auto industry, one of eight jobs, the second most important industry in this country when we take the direct and indirect jobs. We have lost 300,000 direct automobile jobs in the last 10 years. General Motors, our largest manufacturer, just some months ago said 75,000 people are going lost their jobs.

So as Members vote on this, think of the people that depend on this industry. Think what it is going to be to look them in the eye and say that we did not do our best to try to give them a fair shake to be able to earn a decent living in the second most important industry in this country.

I urge Members to vote for this amendment. It is reasonable, it is sensible, it gets us fair trade, and last but not least, it stands with the American people and gives them a chance to compete in this most important industry.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Chairman, H.R. 5100, the trade bill we will consider this week, is a wide-ranging, aggressive piece of legislation that will help put America back on track. It is good for American industry, and good for our Nation's workers, farmers, and other producers.

The legislation will help to sharpen the focus of administration officials who represent our trade interests—and of our Nation as a whole—on achieving fair, reciprocal trade with our major trading partners.

The bill is a mandate for our Government to be aggressive in getting a fair deal in foreign trade for our producers. The United States has absorbed a $550 billion trade deficit in the past 5 years, so it is clear that we need better access to foreign markets if we are going to continue a liberal policy toward imports.

There has been a lot of attention paid to the get tough provisions of this bill, and, in fact, they are important for our economy. However, the bill also provides for expansion of trade for both our own producers and our foreign trading partners. It liberalizes our trade policies and removes barriers to trade.

For example, the bill will convert much of the processing of imports from paper to computer, speeding the process of shipping products into the United States. It also terminates the restriction on former Soviet republics from enjoying the favorable trade terms of our generalized system of preferences.

In the same vein, a provision that I sponsored will allow railroad grain cars to move freely from Canada into the United States, just as United States railroad cars have been sent into Canada without tariff since the implementation of the United States-Canada Free-Trade Agreement. My provisions will terminate a merchandize processing fee, which has made the leasing of Canadian cars prohibitive to United States railroad companies in recent years. This change is good for Canadian companies who have cars to lease, but it also means better opportunities for United States farmers to ship their products to market when farm prices are favorable.

In another section of the bill, I tried to safeguard our export promotion program administered by the Department of Agriculture. Our Federal law requires, and our taxpayers expect, that any funds our Government spends to boost export sales of farm products must be spent on domestic farm products, not on foreign produce. I sponsored a section of the trade bill that will require imports of foreign grain to carry an end-use certificate, specifying the destination and final use of the grain, so that our own grain export program can be administered according to law.

It is important, I think, when we consider this bill to remember that it addresses much more than the auto manufacturing sector or our trade deficit with Japan, important as those matters are. There are many provisions to help American producers throughout our economy, and it is important that this legislation go forward.

Mr. KILDEE. Mr. Chairman, I rise today to express my strong support for the Gephardt amendment and H.R. 5100.

The Gephardt amendment is important to our economic security. This legislation goes a long way toward giving American automakers a fair chance at cracking the close Japanese market. It has reached a point today, where United States auto suppliers are even prevented from competing for business from Japanese transplants here in the United States.

Mr. Chairman, the United States is the only industrialized country practicing free trade, every other nation has some sort of industrial policy. And I have long argued that our country needs to have a strong industrial policy—a policy that helps American industries better compete in the international marketplace.

I represent Flint, MI, which is the birthplace of GM, and my constituents have a deep interest in a healthy domestic auto industry. But the auto industry is an industry that affects virtually every district in the country.

Nearly 15 percent of all U.S. workers are employed in some way by the auto industry and the U.S. auto and auto parts makers are a major consumer of products textiles, steel, electronics, glass, and semiconductors.

The jobs created by the auto industry are good paying jobs. They are jobs that are important to keep so we can maintain a decent standard of living for our children. We have lost hundreds of thousands of these high paying jobs, and many communities across the country have been devastated. Automobile production represents one of the key value-added industries to the U.S. industrial base.

Yet, Mr. Chairman, we are in danger of losing thousands of more good paying jobs because our Government is unwilling to enforce current U.S. trade laws that would eliminate unfair trade and business practices.

The Japanese have done virtually everything in their power to ensure that its industry is healthy and internationally competitive. Japan's auto industry operates from a protected home market where imports account for less than 3 percent of the vehicle sales, it is allowed to have monopolistic associations with other firms, and its predatory trade practices are strongly backed by the Government.

As a result, over 40 percent of the entire United States trade deficit in 1991 was directly related to our auto and auto parts trade deficit with Japan. And if the current trends continue, our trade deficit with Japan will increase to $48 billion in 1992.

A decade ago, when the domestic automobile industry was asking for help against imports, they were told their problem was their

inefficient manufacturing and low-quality product, not imports.

In fact, the quality of American cars today equals or exceeds many Japanese models; 8 of the 10 most productive plants in the world are American facilities; and capital spending by the domestic auto industry has exceeded net income by $44 billion over the past 3 years.

The American automobile industry is in a race where the competition has a headstart over them before the starting gun sounds. It can barely get in the Japanese market, let alone be competitive when the nontariff barriers can raise the price of an imported vehicle by as much as $12,000 once it arrives in Japan.

After 5 years of negotiations with Japan over the trade barriers to their market and their business practices in the United States, the only results have been studies of the problem. Its high powered lobby has been successful in keeping the status quo and making sure our executive looks the other way over trade disputes.

This is evidenced by the 1989 Treasury decision lowering the tariff on multipurpose vehicles—costing the United States taxpayers over $200 million annually—and the recent ITC decision which determined that imported Japanese minivans sold in the United States for less than fair market value did not materially injure domestic producers. Whose side are they on?

I do not blame Japan for promoting its auto industry. But I do blame our own Government which refuses to promote—or even defend—the interests of our domestic auto industry. This amendment seeks fairness for American businesses and American workers.

It is time for the U.S. Government to do its part and ensure that the American automobile industry is given a fair chance to compete not only abroad, but also in the United States.

Mr. Chairman, the Gephardt amendment will not establish an import quota, a domestic content requirement, nor will it limit the production by, or employment at, transplant facilities. It merely seeks to make sure Japan lives up to the commitments it gave to President Bush in Tokyo and to ensure that the United States will not be a dumping ground for Japan's excess auto production in light of its market-share agreement with the EC.

The Gephardt amendment is a good amendment, a fair amendment—and it supports the commitments the President received from the Japanese to change their unfair trading practices.

The passage of H.R. 5100 is necessary because America can no longer afford to accept hollow promises of fair trade, or inaction in the face of unfair trade practices. We must enforce our trade laws against unfair trade and business practices because the American workers deserve—at least—to have a fair chance to compete and keep their jobs.

I urge my colleagues to support this legislation because it will go a long way toward establishing direction and fairness for Americans in U.S. trade policy.

Mr. DINGELL. Mr. Chairman, I rise in strong support for the bipartisan Gephardt amendment, which I have cosponsored. I also strongly support H.R. 5100, the Trade Amendments Act of 1992, and I commend Chairman ROSTENKOWSKI and his committee for initiating this legislation and bringing it to the House floor at this time.

Mr. Chairman, the Gephardt amendment builds on the negotiations undertaken earlier this year by President Bush with the Japanese in Tokyo. It calls on the U.S. Trade Representative to negotiate one or more comprehensive auto sector trade agreements with Japan and to implement the commitments the Japanese made to President Bush during his trip to Asia last January.

This is not a content amendment, as some have suggested, but a mechanism to develop additional agreements with the Japanese in an effort to open up their markets and reduce our trade deficit. Indeed, the content level plan mentioned in the amendment was volunteered by the Japanese in Japan, and is unchanged in the amendment. The plan merely referenced the commitment and made it subject to monitoring and enforcement. This monitoring and enforcement is consistent with the Commerce Department's statement in a letter that the administration plans to closely monitor the 70-percent commitment to preserve any shortfall that develops. Under this amendment and commitment the content levels are far below the levels now adhered to by the Big Three companies—General Motors, Chrysler, and Ford—which is troubling. However, that is the Japanese agreement. The amendment does not change it.

Nor is this amendment a quota amendment. It does recognize that there is a closed Japanese market, and that there is a European Community agreement which places a rigid 16-percent ceiling on sales of Japanese vehicles for the remainder of this century. The amendment calls on the U.S. Trade Representative to negotiate an extension of the present voluntary restraint by the Japanese on auto exports to the United States and other matters for the term of the EC agreement. It recognizes that there is overcapacity in Japan and seeks to ensure that that overcapacity will not flood the United States market with more exports.

It should be emphasized that the Japanese have already established a voluntary quota of 1.65 million autos for this Japanese fiscal year. This level is substantially more than is now being exported to the United States. The amendment merely seeks to extend that generous voluntary restraint by the Japanese through the remainder of this century. It will not adversely affect U.S. auto dealers, as our hearings on a companion bill, H.R. 4100, showed.

The amendment contains the following disclaimer:

> Nothing in this act may be construed to have the effect of, first terminating or limiting to any extent the production of motor vehicles by transplant vehicle manufacturers; or second, limiting or reducing jobs of U.S. workers at the facilities of such manufacturers.

I want to emphasize the importance of this disclaimer, since a number of people representing the transplants in the United States have contended erroneously that the objective of H.R. 4100, H.R. 5100 and this amendment is to harm the transplants and the American people who work there. This disclaimer makes it clear that that contention is not only not intended, but is expressly prevented. Whatever might happen to the transplants in the future will not be determined by the provisions of this legislation. It will be up to the administration in their negotiations with Japan, under H.R. 5100 as reported, and under this amendment, to deal with matters related to the transplants.

Mr. Chairman, early this year President Bush and a number of executives from various industrial sectors traveled to Japan and other countries in Asia, to engage in trade negotiations involving several industrial sectors, including the all-important automobile sector. That sector alone accounts for, directly and indirectly, about 12 percent of the gross national product of this country. The industry includes not only the auto manufacturers, such as the Big Three and the transplants, but also the many suppliers of that industry: rubber, glass, steel, aluminum, electronics, textiles, and machine tools. When the auto industry suffers, as it is today, its suppliers and the people working for them also find themselves in difficulty.

The trade negotiations with Japan were important not only because they included Government personnel but also representatives of this industry and the business community. While the negotiations themselves produced few commitments by the Japanese, it is these commitments that the administration tells us are helping to open Japanese markets and improve the trade picture in the United States. However, as my June 2, 1992, letter to the administration shows, too many of these commitments are already behind schedule.

This amendment compliments the actions taken by the Japanese themselves with the European Community last year. It is interesting to know that at a recent meeting televised on C–SPAN, the Japanese Ambassador indicated that in fact no agreements were reached with the Europeans last year that would deal with exports to the EC. This is strange because we have correspondence with the administration that clearly indicates that such an agreement exists between the Japanese and the EC.

I strongly urge support for this amendment.

Mr. WOLPE. Mr. Chairman, I rise today in support of the Gephardt-Levin amendment to the Trade Expansion Act. This amendment is both modest in its scope and essential in its message.

All the amendment asks is that commitments which both our Government and the Japanese Government entered into be honored. If those commitments are not honored, then the President is given the authority to correct such a breach of faith and trust.

There are many reasons for our current trade deficit. I think it is irresponsible to point the finger of blame only at our trade partners. We have certainly seen domestic failures in trade and industrial policy. We have witnessed a dangerous shortsightedness in both Washington and in private industry.

However, Mr. Chairman, over the past 45 years, while the United States has been busy defending the world against various threats, real or perceived, our principal trade partners have been investing in themselves. Our trade partners and trade competitors have been investing in the education of their children, in worker training and retraining, in public infra-

structure, and in research and development. As a result, our trade partners have been able to enhance their international efficiency and competitiveness while we have fallen behind.

It is time for the United States to get to the business of refocusing our priorities. We have tremendous advantages in this Nation. We have a willing and trained work force. We have a history of innovation. We have vast human and natural resources. Now, let us focus our attention on using our resources in an efficient and competitive way.

Yet, it is equally clear that there are significant barriers to our products and that some of our trade partners enjoy highly protected domestic markets. By refusing to confront those barriers and practices, we are simply burying our heads in the sand. This ostrichlike approach to our trade relations will only undermine our hopes for a more prosperous economic future.

The Gephardt-Levin amendment is entirely reasonable and modest. Since the early 1970's, over two decades ago, every United States President has gone to Japan and has entered into solemn agreements. The Japanese have pledged to do better, and the various administrations have assured the American people that all was well. All has not been well. This amendment simply requires the administration to monitor and enforce the commitments which the Japanese made to the President last January. If enforcement is necessary, restrictions would be limited to the auto sector. If American subsidiaries of Japanese companies are in compliance with the agreements the Japanese Government made, there would be no effect on those subsidiaries.

This amendment represents a small step toward a fair trading system, but it is an important step. It deserves the full support of the House.

Mr. GILCHREST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the marketplace, and especially the international marketplace, are very difficult things to understand. Obvious solutions often prove counterproductive, and protection of one group usually penalizes another. I believe that this amendment and probably this entire bill reflect this.

We will hear today from Members who claim that their other goal is to create a level playing field with the Japanese. Where were these Members when we voted on the rule? Congressman DREIER tried to offer an amendment to create a level playing field—through a free-trade agreement—with Japan, and yet these same Congressmen and Congresswomen voted to support the rule and block this. Mr. Chairman, the advocates of this amendment do not want a level playing field, they want a captive market.

There are things we could do to level the playing field. Japan has a much lower cost of capital than we do, and this helps their corporations immensely. They do not suffer from the punitive capital gains tax our firms face. If we were to cut the capital gains tax, it would help our companies reinvest and add to their competitiveness, creating jobs. But the protectionists all oppose this, saying it would only help the rich. Since when are the United Auto Workers the rich?

Our deficit takes a huge chunk out of national savings, driving the cost of capital up further. And yet when we offered a balanced budget amendment, many protectionists opposed it. Do the Japanese have to run a $400 billion deficit to provide us a level playing field?

The fact is, our own Tax Code and our own regulatory policies are the main impediments to our competitiveness. Yet most Members on the other side of the aisle will continue to tax and regulate our businesses into noncompetiveness, and then blame the Japanese.

And yet despite this, our exports to Japan are growing at a rapid rate, and our trade deficit with that country is shrinking. The United States is the largest exporter in the world, and our exports are growing far faster than those of our competitors. The process of international negotiation is working, as our farmers, our high-technology industry, and other competitive American industries gain increased access to foreign markets. It is our policy of opening markets, and not closing them, that has produced 70 percent of our economic growth in recent years.

Mr. Chairman, we have made tremendous gains in international trade lately. American businesses have proven that they can compete, and international negotiations are providing them with markets. Just as we are beginning to win the trade war, proponents of this amendment and this bill want to admit defeat and close our markets. I urge my colleagues to oppose the amendment and the bill.

Mr. AUCOIN. Mr. Chairman, I rise in support of this amendment and this bill because they will help break down trade barriers and unfair trade practices.

Some argue that the Gephardt amendment requires quotas on Japanese auto imports and domestic content of autos built in the United States. Nothing could be further from the truth.

This amendment holds the Japanese to their own promises to open up their cartel, or keiretsu, to American competition. Just as antitrust laws a century ago targeted domestic cartels, so our trade negotiations must target international trade cartels.

The Gephardt amendment does exactly that. Far from erecting trade barriers, it will help break them down.

This amendment also brings within the scope of section 301 the U.S. Trade Representative's negotiations with Japan on the extension of voluntary auto import limits. This prevents Japanese auto keiretsu from making us pay for their existing trade agreement with the European Community.

Taken together, this bill and the Gephardt amendment are measured steps to ensure that American firms are allowed to compete in the global market.

Some argue these steps are not necessary. They are wrong. Allowing the rules of the game to remain the same will only continue to leave us crumbs when the U.S. Trade Representative goes to the negotiating table. It's time we come to that table on an equal footing.

I urge my colleagues to support this amendment, and the bill.

Mr. MFUME. Mr. Chairman, I rise in support of the amendment offered by the distinguished majority leader and our colleague from Michigan, Mr. LEVIN. In April of this year, Representative HELEN BENTLEY and I introduced the Automobile Labeling Act of 1992, H.R. 4228. Senator BARBARA MIKULSKI introduced the companion bill in the Senate.

H.R. 4228 would make it easier for consumers to determine the exact percentage of American-made parts and labor which went into the final product. Our legislation specifies that each manufacturer of a new automobile for sale in the United States shall affix and the auto dealer shall maintain on such automobile a label indicating the percentage of auto equipment which originated in the United States.

Additionally, the label shall indicate the percentage—by man hour—of labor on such automobiles performed by workers in the United States in assembling the automobile and indicating the name of any country, other than the United States, where at least two-thirds of the automobile equipment by value in such automobile originated.

Mr. Chairman, both in concept and principal the Gephardt-Levin amendment supports the spirit of our automobile labeling legislation. The amendment ensures that the Japanese have at least the same access to our auto market as they have negotiated with the Europeans and it attempts to codify agreements reached between our two nations last January.

The Gephardt-Levin amendment, as with H.R. 4228, is designed to save jobs, expand trade and opportunity, and inform concerned consumers. It is my hope that many of our colleagues will recognize the significance of this legislation and move to include this provision within the Trade Expansion Act of 1992.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Missouri [Mr. GEPHARDT].

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 260, noes 166, not voting 8, as follows:

[Roll No. 272]

AYES—260

Abercrombie	Bryant	Dellums
Ackerman	Burton	Derrick
Anderson	Bustamante	Dingell
Andrews (ME)	Byron	Donnelly
Andrews (NJ)	Campbell (CO)	Dorgan (ND)
Annunzio	Cardin	Duncan
Applegate	Carper	Durbin
Aspin	Carr	Dwyer
Atkins	Chapman	Dymally
AuCoin	Clay	Early
Bennett	Clement	Eckart
Bentley	Coleman (MO)	Edwards (CA)
Bevill	Collins (IL)	Edwards (OK)
Bilbray	Collins (MI)	Edwards (TX)
Bilirakis	Combest	Emerson
Blackwell	Condit	Engel
Boehlert	Conyers	English
Bonior	Costello	Erdreich
Borski	Cox (IL)	Espy
Boucher	Coyne	Evans
Boxer	Cramer	Ewing
Brewster	Darden	Fascell
Brooks	Davis	Fazio
Browder	de la Garza	Feighan
Brown	DeFazio	Flake
Bruce	DeLauro	Foglietta

Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallegly
Gaydos
Gejdenson
Gephardt
Geren
Gilman
Glickman
Gonzalez
Goodling
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hoagland
Hochbrueckner
Holloway
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Mavroules
Mazzoli
McCloskey
McDade
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Poshard
Price
Rahall
Rangel
Ravenel
Ray
Reed
Regula
Richardson
Ridge
Rinaldo
Ritter
Roe
Roemer
Rogers
Rose
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Serrano
Sharp
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (NJ)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Swett
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Yates
Yatron
Young (AK)

NOES—166

Allard
Allen
Andrews (TX)
Anthony
Archer
Armey
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bereuter
Berman
Bliley
Boehner
Broomfield
Bunning
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (TX)
Cooper
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Dicks
Dixon
Dooley
Doolittle
Dornan (CA)
Downey
Dreier
Fawell
Fields
Fish
Franks (CT)
Gallo
Gekas
Gibbons
Gilchrest
Gillmor
Gingrich
Gordon
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Herger
Hobson
Hopkins
Houghton
Hutto
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kopetski
Kyl
Lagomarsino
Leach
Levine (CA)
Lewis (CA)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Machtley
Marlenee
Martin
Matsui
McCandless
McCollum
McCrery
McCurdy
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Mrazek
Myers
Neal (NC)
Nichols
Nussle
Olin
Oxley
Packard
Panetta
Paxon
Penny
Petri
Pickett
Pickle
Porter
Pursell
Quillen
Ramstad
Rhodes
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Saxton
Schaefer
Schiff
Schulze
Schumer
Sensenbrenner
Shaw
Shays
Skeen
Smith (IA)
Smith (OR)
Smith (TX)
Solomon
Stearns
Stenholm
Stump
Sundquist
Swift
Synar
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Waxman
Weber
Wolf
Wyden
Wylie
Young (FL)
Zeliff
Zimmer

NOT VOTING—8

Alexander
Hatcher
Hefner
Lent
Lewis (FL)
Moran
Smith (FL)
Traxler

□ 1602

The Clerk announced the following pair:

On this vote:

Mr. Traxler for, with Mr. Lewis of Florida against.

Mr. GONZALEZ changed his vote from "no" to "aye."

So the amendments en bloc were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HOYER) having assumed the chair, Mr. VALENTINE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5100) to strengthen the international trade position of the United States, pursuant to House Resolution 510, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

Is a separate vote demanded on the amendment to the Committee amendment in the nature of a substitute? If not, the question is on the Committee amendment in the nature of a substitute, as amended.

The Committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. ARCHER. I am, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ARCHER moves to recommit the bill, H.R. 5100, to the Committee on Ways and Means.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

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.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 280, nays 145, not voting 9, as follows:

[Roll No. 273]

YEAS—280

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Beilenson
Bennett
Bentley
Berman
Bevill
Bilbray
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Browder
Brown
Bruce
Bryant
Burton
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gilman
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hoagland
Hochbrueckner
Holloway
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey

Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickle
Poshard
Price
Rahall
Rangel
Ravenel
Ray
Reed
Regula
Richardson
Ridge
Rinaldo
Ritter
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Swett
Synar
Tallon
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—145

Allard
Allen
Anthony
Archer
Armey
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bereuter
Bilirakis
Bliley
Boehner
Broomfield
Bunning
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Dicks
Doolittle
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gibbons
Gilchrest
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Herger
Hobson
Hopkins
Houghton
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Klug
Kolbe
Kopetski
Kyl
Lagomarsino
Leach
Lewis (CA)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDermott
McEwen
McHugh
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Olin
Oxley
Packard
Paxon
Pickett
Porter
Pursell
Quillen
Ramstad
Rhodes
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Saxton
Schaefer
Schiff
Shaw
Skeen
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Swift
Tanner
Taylor (NC)
Thomas (CA)
Thomas (WY)
Valentine
Vander Jagt
Vucanovich
Walker
Weber
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—9

Alexander
Brooks
Hatcher
Hefner
Lent
Lewis (FL)
Smith (FL)
Traxler
Whitten

□ 1624

The Clerk announced the following pair:

On this vote:

Mr. Traxler for, with Mr. Lewis of Florida against.

Mr. DICKS and Mr. SWIFT changed their vote from "yea" to "nay."

Mr. PETRI changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 1150, HIGHER EDUCATION AMENDMENTS OF 1992

Mr. FORD. Mr. Speaker, pursuant to the order of the House of Wednesday, July 1, 1992, I call up the conference report on the Senate bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. TORRES). Pursuant to the order of the House of Wednesday, July 1, 1992, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 29, 1992, at page 16717.)

The SPEAKER pro tempore. The gentleman from Michigan [Mr. FORD] will be recognized for 30 minutes, and the gentleman from Missouri [Mr. COLEMAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on S. 1150, the Senate bill we are about to debate.

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

There was no objection.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I would like to engage in a colloquy with the chairman of the Committee on Education and Labor, the gentleman from Michigan [Mr. FORD].

Mr. Speaker, is it your understanding that students enrolled in credit bearing distance learning courses that are delivered by video cassette or disk are entitled to full financial aid, provided that the same or equivalent courses are offered in any form on campus during the same award or academic year?

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Speaker, that is correct. These individuals which the gentleman from Michigan [Mr. KILDEE] described will qualify for full financial aid under this bill.

Mr. KILDEE. Mr. Speaker, I thank the gentleman from Michigan [Mr. FORD].

I rise today to express my strong support for the conference agreement on S. 1150, the Higher Education Amendments of 1992. I want to commend the chairman of the House Education and Labor Committee, Mr. WILLIAM FORD, for his leadership in bringing this legislation to the House for final approval. During his years in the U.S. House of Representatives, Chairman FORD has been a leading expert in higher education in our country, and this bill is another testament to his commitment to improving education in America.

Mr. Speaker, the legislation before the House today will increase access to higher education for all Americans. Under this bill, all students will be able to borrow the maximum Stafford loan, regardless of family income. The bill also significantly increases the maximum Stafford loan limit for second through fourth year students, and graduate students. Moreover, the most financially needy students will have the interest on these loans paid for by the Federal Government, and the 4 million Pell grant recipients will receive an increase in their financial aid.

The legislation also establishes a direct loan program that will enable institutions of higher education to become more involved in the Federal Student Loan Program. While I would have preferred a much larger direct loan program, I believe this demonstration project will prove that a much broader direct loan program is warranted.

Mr. Speaker, as a member of the House Subcommittee on Post-Secondary Education, I would like to comment on a few specific provisions in this legislation that I personally worked on, and I believe will improve both quality and access to higher education in our country.

I worked very closely with members of the library community to ensure that title II of this bill, the academic libraries and informational services, would provide the necessary resources to meet the challenges facing our Nation's higher education libraries. The conference agreement includes language that significantly increases the authorization levels for parts A, B, C, and D of title II. The changes in title II will assist college and university libraries to acquire technology and equipment to improve research capabilities in many different areas, including informational technology. In addition, this bill provides funding for the education and training of persons in library and information science, and enhanced informational delivery systems.

The conference agreement also helps the Nation's largest research libraries in maintaining and strengthening their research collections, and allowing those resources to be used by libraries across the country. Finally, the bill assists historically black colleges and universities and other minority-serving institutions in developing stronger library programs, and to help train individuals in these fields.

I am also pleased that the conference agreement contains strong provisions in title VIII, the section pertaining to cooperative edu-

cation. I worked with the members of the cooperative education community, including representatives from GMI Engineering & Management Institute in my district, to ensure that cooperative education programs are allowed to expand in the future. I strongly believe that the work experience gained through cooperative education is important in helping students access the work force. Cooperative education also benefits companies who are able to hire graduating students who they have personally trained and have had the opportunity to view their capabilities on a first-hand basis.

The conference agreement raises the authorization levels for cooperative education programs to all-time levels. This money will be used to help institutions of higher education to establish and expand cooperative education programs. S. 1150 also authorizes funding for demonstration and innovative projects, as well as for training personnel in the field of cooperative education, providing technical assistance, and resource centers and basic research.

Mr. Speaker, I was very pleased that I was able to work out a compromise on provisions relating to the definition of economic hardship as an eligible criterion for receiving a loan deferment. Working with such diverse groups as the International Liaison of Lay Volunteers in Mission and the American Medical Association, I was also able to draft a provision that protects those who engage in full-time, low-paid community service work and high-debt medical resident students who can not afford to immediately pay back their loans.

Under this provision, the Secretary of Education is directed to implement regulations, through the negotiated regulation process, that establish the minimum wage rate and the poverty line as a floor for economic hardship. In addition, the language specifically states that the Secretary shall consider the borrower's income and debt-to-income ratio as primary factors in drafting these regulations. I would urge the Secretary to work with those interested parties, including the International Liaison of Lay Volunteers in Mission and the American Medical Association, to draft regulations that are fair and equitable. Moreover, I strongly supported a provision in the conference agreement that continues to allow deferments for those medical residents who had already obtained student loans prior to July 1, 1993. This provision will ensure fairness and continuity in the financial aid program.

Mr. Speaker, I am also very supportive of the provisions in the conference agreement that allows for full financial aid for those students enrolled in credit bearing distance learning courses that are delivered by video cassette or disk as long as the same or equivalent courses are offered in any form on campus during the same award or academic year. A few minutes ago, I engaged in a colloquy with the chairman of the House Education and Labor Committee, Mr. FORD, to reaffirm this issue. I believe this provision will enable many smaller and rural schools that do not have large financial resources, to offer a broader range of classes for its students.

Mr. Speaker, there is one issue, however, that I am deeply concerned with that was not resolved during the conference committee. The 1990 OBRA legislation prevents schools from receiving title IV, part B loans if their three most recent cohort default rates exceeded an established trigger. The law excluded historically black colleges and universities and tribally controlled schools because of the large at-risk populations. The law also allowed institutions to appeal its loss of eligibility, based upon certain criteria, including exceptional mitigating circumstances. Unfortunately, many schools across the country that served a majority of at-risk students, but were not granted exemptions, were caught in a unique situation.

I was deeply concerned when I saw the Secretary's regulations that, in effect, disqualified all schools from meeting the exceptional mitigating circumstances criteria. I would urge the Secretary to review the exceptional mitigating circumstances regulations, and implement new guidelines that are more reasonable for those schools who serve a majority of economically vulnerable students.

Finally, I want to express my support for a provision in the conference agreement that allowed for the eligibility of short-term programs in the Student Financial Aid Program. These short-term programs serve a valuable purpose, and schools should not be summarily punished because they offer short-term programs. The House bill initially eliminated the eligibility for these short programs, and I was pleased to work with my colleague, Mr. GOODLING, to restore the eligibility of these programs. In my own district, the Ross Medical School offers several worthy classes that have helped train many unemployed people in the Flint area.

Mr. Speaker, I believe the Higher Education Amendments of 1992 are an important step in ensuring all Americans can afford to attend an institution of higher education. As our country continues to compete in the international marketplace, we need to ensure our work force is ready and able to meet those challenges. This legislation gives our country's students the needed resources to prepare for the future.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield myself 4½ minutes.

Mr. Speaker, I am pleased that the House is considering the conference report on S. 1150, the Higher Education Amendments of 1992. I urge my colleagues to join me in support of this important legislation.

We started the process of reauthorizing the Higher Education Act over 18 months ago. The conference report before us today reflects many hours of hard work and compromise by Republicans and Democrats in the Congress, the Department of Education and the White House. I am pleased that we, in the Congress, and those in the administration have been able to work out our differences on this vital piece of legislation. Our agreement demonstrates that legislative gridlock can be overcome and that Government can be responsive to the needs of the American people.

I commend my colleagues in both Houses of Congress and on both sides of the aisle, especially Chairman BILL FORD, and ranking Republican BILL GOODLING. I also commend Secretary Alexander and President Bush for their willingness to work with the Congress to ensure that this legislation, so vitally important to students and their families, is enacted this year.

S. 1150 reauthorizes the Higher Education Act for 5 years. It makes a number of significant and fundamental changes in the scheme of Federal support of higher education.

The bill improves student aid opportunities for hard-pressed middle-income families who increasingly find paying for a college education beyond their financial means, by:

Eliminating consideration of home and family farm equity from the calculation of a student's eligibility for student grant or loan assistance;

Revising the Pell Grant Program, so that when funded at the $3,700 maximum award, a family of four with an income of up to $42,000 will be eligible to receive a Pell grant award. Under S. 1150, an additional 1 million students are expected to become eligible to receive Pell grant awards in the first year of the authorization;

Expanding eligibility for guaranteed student loans to an additional 900,000 students, most of whom will come from middle-income families;

Adding an additional education savings protection allowance so that families who have saved for their children's education will not be punished for doing so. This allowance is equal to the amount of the family's expected family contribution;

Creating a new, unsubsidized loan program which will ensure that educational loans are available to families who may not meet the needs test in the regular loan program but need help paying for their children's college education. Approximately 800,000 students are expected to borrow federally guaranteed loans under this program in fiscal year 1993, and up to 1.3 million are expected to be participating by fiscal year 1997.

Students and their families are frequently not well-informed about the availability of Federal student aid, the range of postsecondary education options, and the appropriate high school programs that lead to postsecondary education. The bill improves outreach and early intervention by:

Creating a pre-eligibility form to provide early notice to students of their potential for Federal aid;

Strengthening the existing TRIO programs;

Creating a new Federal-State partnership to provide tutoring and student advisement;

Developing a national computer network of financial aid information.

Many students and their families are denied access to student aid because they cannot navigate through the bewildering complexity of student-aid forms and delivery systems. The bill seeks to address these problems by:

Providing for a single, free Federal student application form;

Allowing students to update their application from the prior award year rather than file a completely new form each year;

Developing a single system of needs analysis for assessing a student's financial need;

Providing for a straightforward system of student loan deferments.

Perhaps most important, the bill goes beyond trying to correct the problems with our student aid programs which have already occurred and emphasizes preventing problems in the future. The bill includes nearly 100 provisions to strengthen controls over schools to ensure an end to waste and abuse and minimize loan defaults. Many of these provisions are a direct outgrowth of recommendations made by the Department of Education's inspector general. For example, it:

Spells out minimum standards for State licensing. Although State licensure has long been a requirement for title IV eligibility there have never been any clear expectations of what State licensure should entail. These new standards will ensure that the State licensure will really mean something.

Under the bill, the Secretary of Education must review all institutions wishing to participate in the Federal student aid programs against criteria such as: default rates; compliance with Department of Education title IV requirements, and; student complaints. Through his review, the Secretary identifies institutions who meet this criteria and refers them to the State for an in-depth review with the State postsecondary review agency authorized to conduct such a review. Under this State review, institutions are required to meet published State standards which address: the quality and content of the schools programs; financial and administrative capability; success with regard to student completion; student withdrawal and student placement rates. Schools that do not meet these State standards will be terminated from eligibility for continued participation in Federal student aid programs.

Strengthens the Department of Education's hand in its review of institutions seeking eligibility for participation in title IV funds. Under this bill, every institution seeking participation in student aid programs must be recertified by the Department of Education and regularly re-reviewed. The bill also requires that institutional eligibility is contingent upon meeting strong administrative and financial capability tests.

Requires standards by which accreditation agencies are to be judged by the Secretary. Like State licensure, the Department of Education has often overrelied on accreditation in the review of institutions. Setting out a clear articulation of standards for accreditation will enhance their role as a title IV gatekeeper.

Strengthens criminal penalties for program fraud;

Prohibits the use of commissioned salesmen and recruiters;

Adds new restrictions on branch campuses;

Removes schools from eligibility who have default rates above 25 percent;

Requires institution's to provide fair and equitable complete tuition refunds;

Tightens the definition of independent student.

These are but a few of the changes that the bill has included to protect the substantial Federal investment in higher education authorized by this bill for the next 5 years.

The bill also revises title V of the act to include some initiatives based upon America 2000, for improving the quality of teaching in our Nation's schools. It:

Adopts an alternative certification program by which States will develop new routes to teacher certification;

Authorizes national teacher academies to provide inservice training for teachers in English, math, science, history, geography, government, and foreign languages.

S. 1150 contains a provision for a direct-loan demonstration project. I originally opposed this provision when it was proposed in the House and remain skeptical that direct Federal funding of student loans is a step in the right direction. Nonetheless in view of the significant interest in this approach, I agree it ought to be tested.

While the demonstration program authorized in this bill is somewhat larger than I believe is necessary, it will give Congress concrete information on the viability of this concept.

I urge the Department of Education to implement the demonstration project and I look forward to having an opportunity to consider the project's results.

Finally, the conference report contains a few provisions which, if isolated by themselves, I would not support. However, resolving the over 1,500 points of difference in the House/Senate conference required a great deal of negotiation and compromise and in a situation like this, one cannot get everything one wants. I believe that the end product contained in S. 1150 is overwhelmingly favorable enough to warrant my support and that of my colleagues in this House.

In closing, I want to thank all of the conferees, their staffs and the staff of the Office of Legislative Counsel and the Office of Education and Public Welfare at the Congressional Research Service for the tremendous effort that was put forth to bring us to the point we are at today.

□ 1630

Mr. Speaker, I would like to enter into a colloquy with the chairman of the committee at this particular time, and again commend the gentleman from Michigan [Mr. FORD] for his extraordinary leadership in this bill, providing the good faith effort to resolve the differences that we have had between parties and between the branches of Government. It is always a pleasure to work with the gentleman from Michigan [Mr. FORD], and I am so glad to be able to ask him these questions in a colloquy.

Mr. Speaker, I would like to ask the distinguished gentleman from Michigan a question regarding provisions amending section 438(b)(2)(B) which establish a minimum special allowance on loans financed with the proceeds of tax-exempt obligations. My question is whether it is the gentleman's understanding that the term "applicable interest rate" as it appears in section 438(b)(2)(B) as amended and under current law means the net interest rate to the borrower after rebate of any excess interest required to be rebated under section 427A.

Mr. FORD of Michigan. Mr. Speaker, if the gentleman will yield, I thank the gentleman from Missouri [Mr. COLEMAN] for his kind remarks. I will talk about it more later, but once again it has been a great pleasure to work with a truly bipartisan coalition of our committee led by the gentleman from Missouri.

The term "applicable interest rate" in section 438(b)(2)(B) means the rate paid by the borrower after receipt of any excess interest under section 427A. Thus, as an example, the "applicable interest rate" on a Stafford loan with a stated interest rate of 10 percent on which a 2-percent interest rebate was paid to the borrower under section 427A, would be 8 percent.

Mr. COLEMAN of Missouri. Mr. Speaker, I thank the gentleman for engaging in the colloquy.

Mr. FORD of Michigan. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Speaker, it is my understanding that our goal in section 481(b)(3) of the Higher Education Act Amendments of 1992 was to prohibit an institution from relying wholly on funds provided under this title to support the institution's educational programs and other activities. It was not our intent to impair the ability of institutions to maintain and enhance the quality of the programs they offer, to restrict choice in quality postsecondary education, or to penalize the population being served by this title because they are financially in need. Therefore, I believe that the Secretary should include a waiver process for those institutions that provide quality outcomes in the form of verifiable retention and placement rates.

Mr. Speaker, I rise in support of the conference report to reauthorize the Higher Education Act of 1965. This cru-

cial legislation helps many students realize their dream of a college education, including the nontraditional student, who more often than not is a woman, is older, or is a single parent. I note there is a provision in the current law which specifically excludes from the determination of a student's base-year income the income of a spouse who has died, or from whom the student has been separated or divorced. This is important, since a student's base-year income is the basis on which their projected income during the award year is determined. Thus, in the case of a woman who has been recently divorced, separated, or widowed, this provision ensured that her spouse's income—to which she no longer has access—would not be included in the calculation of her financial aid. The bill passed by this body dealt with this issue by using the projected-year income, rather than the base-year income, for all independent students. The Senate bill maintained the specific exclusion for widowed, divorced, and separated students. Mr. Speaker, let me ask the committee chairman, is my understanding correct that financial aid administrators will use their professional judgment to adjust the income of students who are recently divorced, separated, or widowed by excluding from calculation their former spouse's income?

Mr. FORD of Michigan. Mr. Speaker, if the gentlewoman will yield, yes, that is correct. The individuals you just described certainly deserve access to a college education, and should not have their former spouse's income included in the determination of their financial need. The financial aid administrator's professional judgment in excluding the income of a former spouse is certainly appropriate in these cases.

Mrs. UNSOELD. Mr. Speaker, I rise in strong support of the Higher Education Act Amendments of 1992, legislation that will expand opportunities so all Americans can attend college, trade, and technical schools.

This legislation not only increases grants and extends loans to more middle class families, but eases the way for nontraditional students by raising child care allowances, removing home equity from the needs analysis and making aid available to part-time students. It also simplifies the application process and strengthens the integrity of our Federal financial aid program.

I wish the bill could go further. But in view of the budget crisis—a $400 billion deficit and a $4 trillion Federal debt—we just cannot afford this year to do that. This legislation does invest the money we have more effectively and does make every family in America eligible for some form of financial aid to help students continue their education. This is an investment that will pay dividends for all of us.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 3½ minutes to the gentleman from Pennsylvania [Mr. GOODLING], the ranking member on the Committee on Education and Labor. This gentleman helped bring us together again to resolve our differences on this particular bill, and I thank the gentleman for his leadership on the Higher Education Act.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, first I want to compliment the chairman and ranking member. If anybody did not get to be heard on this issue, then it is their fault. The chairman had 44 hearings, some in Washington, some all over the country. So if anybody was denied an opportunity to be heard, they sure must have been alseep at the switch. Both the chairman and the ranking member worked long hours to bring what I think is an outstanding higher education bill.

Mr. Speaker, I would also be remiss if I did not thank the staff members, because they spent probably hundreds of hours here and also dealing with the other body, and our membership on the House side can certainly be proud of their work. Rose DeNapoli, Jo-Marie St. Martin, Andy Hartman, Jay Eagen, Lynn Selmser, Linda Castleman, Tom Wolanin, Diane Stark, Maureen Long, Helen E. McGinnis, Gloria Wastson, and Steve Cope, the legislative counsel. If I missed anybody, I apologize.

Mr. Speaker, I rise in support for many, many reasons. First of all, as was mentioned, the needs analysis has been changed. That means middle income America has a much better opportunity to avail themselves of these opportunities in higher education.

Second, it simplifies the program for students and financial aid administrators. We heard a lot of people asking to please do that.

Third, it includes some parts of bills that I had introduced: changes in title V, educator recruitment, retention, and development, which are programs for teacher education and recruitment through State and local programs. Also additions to title I, articulation agreements between 2-year colleges and 4-year colleges in order to assure that academic credit earned by a student at a 2-year institution will be transferable to a 4-year institution. Also, as was mentioned, the program integrity section has been increased dramatically and should help us with our default problems.

Finally, I am pleased that the bill includes an amendment to retain eligibility for quality short-term programs, those of less than 600 clock hours.

I would like to engage the gentleman from Michigan, the chairman of the Education and Labor Committee, in a colloquy regarding the amendment to restore eligibility for title IV student loans to students attending programs of less than 600 hours. Is it the chairman's understanding of the amendment that institutions with less than 600 hour programs, that are currently eligible under the Higher Education Act, will remain eligible until July 1, 1993, and that after July 1, 1993, only those institutions providing courses of less than 600 hours which have met the standards of the Secretary's regulations will be eligible?

Mr. FORD of Michigan. The gentleman is correct. That is my understanding.

Mr. GOODLING. Second, is it the chairman's understanding that we expect the Secretary to define completion rates as they are defined in the Student Right to Know Act and to define placement rates in a comparable manner?

Mr. FORD of Michigan. The gentleman is correct. That is my understanding.

Mr. GOODLING. Finally, is it also the chairman's understanding that the Secretary should expedite the promulgation of regulations to provide institutions with a reasonable opportunity to satisfy the conditions contained in the regulations prior to July 1, 1993?

Mr. FORD of Michigan. The gentleman is correct. That is my understanding.

Mr. GOODLING. Mr. Speaker, I thank the chairman and the ranking member for all the hard work that has been put into a very, very fine piece of legislation. Without that leadership, of course, we would not be here today. I thank the gentleman very much because it means a lot to an awful lot of Americans.

□ 1640

Mr. FORD of Michigan. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. WILLIAMS].

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

Mr. Speaker, the legislation before us is entitled the Higher Education Amendments of 1992. It could also be appropriately called the Middle Income Student Assistance Act. For that is what it is. This bill opens up the Federal student aid programs to students from middle income, working families. It is an important bill for every Member of Congress who wants to do something that will actually help those families. Earlier in this Congress I introduced a bill that expanded Federal student aid programs to the middle class. That legislation was cosponsored by 71 Members of this body. The legislation before us today incorporates the major provisions of that bill.

There are a number of provisions in this bill that by themselves would make this legislation deserving of support. The bill provides assistance to our Nation's college libraries. It makes improvements in teacher training programs. It supports programs that blend school and work. And it enhances foreign language training. But make no

mistake about it, the heart and soul of this bill is what it does for middle income, working families, the bedrock of our Federal tax system, who are finding it increasingly difficult to finance their children's college education. This bill makes these families eligible for Federal college aid.

Mr. Speaker, we are all aware of recent reports that have chronicled what actually happened economically to families during the past decade. We know that the rich got richer, and the poor poorer. And middle income folks have been caught in the middle of that income squeeze. Nowhere is this more apparent than when it comes time to pay for their kids' college education. Middle income, working families have seen college tuition rise four times as fast as their disposable income, and total college costs three times as fast. These families have now gotten to the point where they can no longer provide their children with better opportunities than their parents provided for them. We are close to losing that covenant that has inspired this country, where each new generation of Americans have more opportunities and better chances and bigger hopes than previous ones. That was the American dream and for middle income, working folks, that dream is quickly disappearing. Today we act to restore that dream.

Let me comment briefly on one of the provisions in this bill that would help families in my State. I live in a State that has a lot of folks who live in rural areas and on farms. These families have suffered quite a bit through the 1980's. These families are good, hard working folks, and they want to send their kids to college. But they find that the current student aid system makes them ineligible for student aid. The system assumes that they can mortgage their home or the family farm to raise money to pay for college. I do not think a family should have to make that choice—to choose whether they will mortgage their home, or their farm, or not send their kid to college. This is not a fair choice. And every farmer I have talked to in Montana tells me that the cost of operating a farm has become far greater than the return most farmers are receiving on their products, so that even if they wanted to mortgage their farm to pay for college, they would find few lenders willing to lend them the money. We must change this, so that the value of a family's home or farm will not be counted as an asset available to be used to pay for college. This bill makes that change.

Mr. Speaker, this bill makes an investment in our most precious national resource, the American people. It opens up our current system of student aid to the children of middle income, working families. With its adoption, every family will be eligible to borrow at low interest rates to pay for college under my new Federal Student Loan Program beginning this fall. And starting next July, the value of a family home or farm will no longer be counted in determining eligibility for the rest of the Federal student aid programs, including Pell grants. These amendments represent a big victory for middle income folks struggling to pay college bills.

I urge my colleagues to support this legislation.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin [Mr. PETRI], whose ideas are incorporated in this conference report. The gentleman has given us a lot of good ideas, and he has been a very active member of our subcommittee.

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

Mr. Speaker, I rise today in support of the conference report. As a member of the subcommittee with jurisdiction, I went into this reauthorization recognizing that our system of postsecondary education is the best in the world. The job before us was to keep it that way, and to ensure that every American has access to it.

This bill is a big step toward these goals, and I would like to commend our colleagues BILL FORD, BILL GOODLING, and TOM COLEMAN. Without their leadership, our success here wouldn't have been possible.

An educated work force is a crucial key to a dynamic economy. One very efficient way to encourage that, I have long argued, is to make all Americans eligible for student loans on which the repayment is related to the borrowers' postschool income and collected as income taxes by the IRS. Therefore, I'm excited by the bill's major strides in that area, especially the authorization for converting defaulted and endangered loans to income-dependent repayment.

Clearly, former students who are having trouble repaying their loans are most in need of income-dependent repayment. These two provisions, sections 416(t) and 429, will not only help such borrowers, but should eventually eliminate the whole problem of student loan defaults.

Note that these provisions cannot be put into effect unless the Secretary of Education can establish an effective collection mechanism and unless they will clearly save money.

It is the intent of the backers of these provisions that the terms of collection mirror as closely as possible those found in H.R. 2336, the Income-Dependent Education Assistance Act. The basic model in H.R. 2336 is simply the only one yet proposed that will work, and I stand ready to assist the administration in the development of this program.

It is the further intent of income-dependent repayment supporters that the Secretary should reach agreement with the IRS to have the IRS collect these loans. Realistically, this is the only way income dependence can work well.

Clearly, this must be discussed with the House Ways and Means and Senate Finance Committees, which could prohibit IRS involvement through an amendment to a tax bill. It is neither our intent, nor is it possible, for us to infringe on another committee's jurisdiction.

Finally, the conference report contains a direct lending pilot program, in which 35 percent of the participating schools will offer students the option of income-dependent repayment. If the IRS is to be involved in the collection of converted defaulted and endangered loans, then it is reasonable for it to collect all income-dependent loans. However, it may not be practical for the IRS to collect income-dependent loans under more than one set of terms.

Therefore, I believe that the conference report allows the same set of terms set out in H.R. 2336 to be applied to all of these programs.

I am pleased that this conference report contains these forward looking provisions and I am hopeful we can develop them into a successful operating program and an exciting model for the future.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I commend the gentleman for his statement. For 30 years I have had a bill in to permit students to repay NDSL or Perkins loans as a percentage of their income as an alternative to the rigid 10-percent program that we have had. This is the most advanced thing that we have done in the way of student loans. We are getting back $600 per year. If we had expanded that program with the new repayment feature, college financial officers would now have far more adequate resources for needy students and there would not be any defaults. I commend the gentleman for his statement in support of this appoach.

Mr. PETRI. Mr. Speaker, I commend the gentleman. We will have to work with the Committee on Appropriations and the Committee on Ways and Means in perfecting this.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Mr. Speaker, I rise in strong support of the conference report.

Mr. Speaker, the American success story was built on the foundation of education. From Jefferson's northwest ordinance schools to Lincoln's land grant colleges to Truman's GI bill for education to Johnson's student aid programs, education has transformed the

Nation to build a better future. Study after study shows that education is far, far more important than virtually any other factor in building economic change. Quite simply, jail costs more than Yale—and Yale pays better for the individual and for the Nation.

For the past 12 years the policies of the current and the past administrations have been building the Great Divide between those able to afford the best private schools and those of us who hope for a restoration of the schools that have built the American community and that helped make America a world leader.

Those administrations have pursued policies and politics that put college out of reach not only for the poor, but even for many in the middle class.

The proportion of blacks and hispanics in college has actually fallen.

In fact, this year for the first time in a long time, total spending on higher education—including expenditures by the States—is less than the year before.

When it comes to education, the American people want to know "where in the world is the education President?" Let me give you an example. TRIO has been highly effective in boosting college success of low-income students.

Two years ago the Department of Education recognized East Los Angeles College as having one of the 10 best TRIO Upward Bound Programs in the Nation. This was confirmed again last October when the Department of Education provided funds to expand the program. Today, the Department is canceling funding for this program that it has called one of the best in the Nation.

As a result of the current administration's policies that East Los Angeles College Upward Bound Program that placed 97 percent of the students who completed its program in colleges—including in institutions such as the University of California at Berkeley and MIT—is being shut down. It would simply be silly if it were not so sad.

There are problems with other TRIO programs as well. While more Americans live in California than in any other State, there is not a single TRIO Educational Opportunity Center in the entire State of California.

The administration shows the same lack of responsiveness to educational needs at the national level.

As Ben Franklin said, education is the best investment—yet the administration demanded that provisions assuring adequate funding for Pell Grants for low-income students be stripped from this bill. I regret that Congress surrendered on this initiative to invest in America.

And even though Congress gave in to the President on the issue of student aid for low income students, the President still threatened to veto this bill until a few days ago because of a pilot program for direct lending to college students—something that America has successfully done for decades through the Higher Education Act's Perkins Loan Program. The President threatened to veto this bill because it used money for student aid rather than for bankers' fees. Only after cosmetic changes were made in that provision was the President finally able to find his way to supporting higher education.

Again, America must wonder where in the world is our education president? He certainly is not in America's schools, he certainly is not supporting real change to demand educational excellence for all Americans. Educational excellence and accountability require more than speeches from distant shores or cheerleading in the Rose Garden. I urge that my colleagues on both sides of the aisle join in supporting this vital legislation that expands access to higher education—and I urge that we continue to work together to build the foundations of a better America that ensures quality education and opportunity to every American.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA], whose contributions to this bill are many and I thank her for her contributions leading to the success of this effort.

Mrs. ROUKEMA. Mr. Speaker, I rise in strong support of the conference report on the higher education bill—S. 1150.

Mr. Speaker, we have before us today the product of nearly 2 years of work. This measure to reauthorize for 5 years the Higher Education Act is the single most significant education initiative to come before this—the 102d Congress. And earn for this House the title, the Education Congress. The Higher Education Amendments of 1992 will ensure that millions of low and middle-income students have access to Federal student aid dollars. This legislation is good news for parents and students who have been closed not of the program in recent years. Through the complete elimination from the needs analysis of home and family farm equity—effective beginning with the 1993-94 school year—this legislation expands access to hundreds of thousands of additional students. This change—which I proposed—is particularly welcome in high cost areas of the country such as mine, where many families are house-rich, but cash-poor. Unless we expect people to sell their family home or take out a second mortgage to cover the high cost of a college education, it is not appropriate to consider home equity in determining eligibility for student's aid programs. With this change we eliminate the regional bias of the previous formula.

Mr. Speaker, some may say that this conference agreement will harm the proprietary trade school sector. How can we go too far to protect taxpayer dollars and students' own money? I say that we cannot go far enough, nor move swiftly enough when we are losing $3.6 billion annually in defaulted student loans. In fact, to date we have amassed a loss of approximately $17 billion in student loan defaults.

This conference agreement contains nearly 100 sorely needed program reforms—they are good for students and good for taxpayers. Numerous and well-documented accounts of unscrupulous, for-profit trade schools have finally led both Houses of Congress to recognize that we need to institute serious program reforms. These reforms are intended to put an end to risk-free Federal subsidies for those who promise students a good education that leads to a good job and then fail to deliver on that promise—at the expense of both students and the American taxpayer.

Many of the program integrity provisions that I sought were included in the bill that was developed by the Education and Labor Committee. These include my proposals to preclude the use by schools of commissioned salesman and recruiters and to require pro rata tuition refunds, increased information from borrowers, and improved exit interviews.

Also, I was pleased to join with our able colleague from California, Ms. WATERS—whose commitment to protecting the interests of students cannot be questioned—and our very able colleague from Tennessee, Mr. GORDON, in seeking additional program reforms on the floor of this House. A number of our proposals, which were strongly supported by the Bush administration, were adopted on the House floor. Unfortunately, not all of these provisions survived the conference. A number of these reforms did, however, and I can assure my colleagues that many of the constructive program reforms that were included in the Senate bill are also part of this conference agreement.

Among the most important program reforms is the reduction to 25 percent of the so-called 3 consecutive year cohort default rate threshold—initially adopted by the House pursuant to my floor amendment. Presently, under the Omnibus Budget Act of 1990 the default rate cutoff of 35 percent will drop to 30 percent in fiscal 1993. This conference agreement will reduce that threshold to 25 percent effective in fiscal year 1994. No longer will fraudulent trade schools continue to defraud the taxpayers year after year and victimize the students.

This conference report—like the House-passed bill—will trigger a careful State review of schools that—based on certain indicators—may not be providing a quality educational program and/or may be mismanaging Federal student aid dollars. One of the indicators that is included in the conference

agreement—pursuant to my floor amendment—is a 25-percent default rate in any given year.

Another important reform that was sponsored by Congresswoman WATERS is included in this conference agreement. This amendment precludes nondegree granting proprietary schools that receive more than 85 percent of their total revenues from title IV student aid programs from future participation in such programs—subject to regulations developed by the Secretary of Education.

Both on the House floor last March, and as a conferee, I strongly supported Mr. GORDON's proposal to cutoff eligibility in the Pell grant program to schools that lose their student loan eligibility due to 3 consecutive years more of unacceptably high default rates. Unfortunately, the amendment was deleted in conference, despite the overwhelming wisdom and logic of our position. Why should these schools be given grant money when they are disqualified from student loans. This is a weak provision but not enough to warrant a rejection of this legislation.

Another amendment—which received the overwhelming support of the House—is not included in the conference agreement. This proposal to eliminate Pell grant awards to incarcerated individuals—that was sponsored by our colleagues, Mr. GORDON and Mr. COLEMAN—was strongly opposed by a large majority of the conferees. Thankfully, at least the Senate bill's restrictions on prisoner eligibility are included in this conference report. At least we can tell our constituents that those on death row will no longer receive the Pell grants their sons and daughters need to pursue their educations.

I am particularly pleased to point out to my colleagues that this conference report—unlike the bill that passed this House on March 26—increases Stafford loan limits for students who have successfully completed their first year of study—effective beginning with the 1993-94 school year. Stafford loan limits have not been increased since 1987. Yet, over the last decade college costs have increased dramatically. The cost of attendance at 4-year public institutions has increased by 85 percent and the cost of attendance at our Nation's private colleges has increased by more than 107 percent.

In very recent years, we have seen tremendous increases in the tuitions at a number of public institutions whose revenues have eroded due to the States' budgetary shortfalls. In fact, tuitions charged by many public institutions now rival those charged by many private institutions.

Last fall, during Education and Labor Committee markup of the higher education bill, I offered an amendment to increase Stafford loan limits. My amendment was defeated on a party line vote. Last March, I offered a floor amendment to increase Stafford loan limits. My amendment was supported by the Bush administration and a large number of higher education organizations, including the American Council on Education [ACE], the National Association of Independent Colleges and Universities [NICU], the National Education Association [NEA], the Association of American Medical Colleges [AAMC], the American Association of Dentistry Schools [AADS], and the American Association of Colleges of Pharmacy [AACP].

Unfortunately, even though I proposed to offset the cost of the proposed loan limit increases, my amendment was brought down by a point of order. Thus, today I am pleased to tell my colleagues, the higher education community, and students and their families that we have finally prevailed.

I would have liked to provide for even larger increases in Stafford loan limits particularly for first year students.

This was not financially feasible. However, this conference agreement provides for much-needed increases in Stafford loan limits for second-year undergraduates from $2,625 to $3,500; for undergraduates who have successfully completed their second year of study from $4,000 to $5,500; and for graduate study from $7,500 to $8,500.

The conference report also provides for a floating interest rate on Stafford loans, capping interest at a maximum rate of 9 percent for the life of the loan. Any so-called windfall that results when Treasury bill rates are low—as they have been in recent months—will no longer accrue to the lenders. Under this conference report, students will pay lower rates when T-bill rates are low. Students—rather than lenders—will benefit.

This conference report also addresses the concerns expressed by many medical students and residents who must incur significant debt in order to finance their medical education. Although both the House and Senate bills eliminated a number of the 12 specific student loan deferment categories, this conference agreement includes the most advantageous provisions from both bills from the perspective of medical students and physician residents. First, in response to the legitimate concerns raised by those pursuing their medical degrees, language was added to the House bill directing the Secretary of Education to consider debt-to-income ratio as a primary factor in determining economic hardship—one of three new deferment categories. In fact, this language was developed by the Association of American Medical Colleges.

Further, inclusion in this conference agreement of the Senate bill's grandfather clause—will ensure that this change will not apply to those borrowers who are already in the pipeline—those who take out their first loan prior to fiscal year 1993.

Like the House-passed bill, the conference agreement establishes a new, so-called unsubsidized loan program that will function just like the Stafford program with two important differences. First, unlike the Stafford program, students who cannot demonstrate financial need will be eligible for this new program. Second, the interest on such loans will be capitalized during the in-school period. Student borrowers will have the option of paying the interest while they are in school or having the interest added to their outstanding loan balance. Students who are unable to qualify for a full Stafford loan will be able to borrow an additional amount—up to the applicable Stafford limit—under this new, less subsidized program. These new loans—which were developed by our committee chairman, Mr. FORD, and the ranking member of the Postsecondary Education Subcommittee, Mr. COLEMAN, to provide a new financial aid option for middle-income students who are deemed ineligible for need-based aid—will become available October 1, 1992.

This conference agreement—like the House-passed bill—expands the borrowing capacity of parents under the PLUS Program. Creditworthy parents will be able to borrow up to the cost of attendance less other financial aid. Also, the current interest cap on PLUS is reduced from 12 to 10 percent.

The conference report also expands the borrowing capacity of independent students under the Supplemental Loans for Students [SLS] Program. Annual SLS limits for undergraduates who have successfully completed their second year of study are increased from $4,000 to $5,000. The limits for graduate students are increased from $5,000 to $10,000. The interest rate cap for SLS loans is reduced from 12 to 11 percent.

Effective for the 1993-94 school year, the measure before us also increases the maximum Pell grant to $3,700 and the minimum Pell grant to $400. In contrast to current law, there will no longer be a separate needs analysis used to determine Pell eligibility. The same new needs analysis established by the conference report to determine Stafford loan eligibility—that eliminates consideration of home and family farm equity—will also be used to determine eligibility for Pell awards.

This conference agreement—like the House-passed bill—simplifies greatly the student aid application form. Further, this new Federal form will be free—students will no longer have to pay to have their applications for Federal student aid processed. States will be permitted to add eight nonfinancial questions to this Federal form and will be able to access the data from the new form without charge. Further, students

need not file a complete new application form each year—they can simply update the pertinent information on their prior year form. This is certainly welcome news to every student and parent who has ever struggled with lengthy, complicated financial aid application forms.

The conference agreement also includes the House-passed provision to create a new, direct loan pilot program. Clearly, this direct loan proposal is the most controversial provision in the bill. I maintain substantial skepticism regarding the implementation and administration of a direct loan program through the colleges.

Although this is a reasonable pilot to test this concept—and the concept of income-contingent repayment of student loan debt—I believe that we must take a very cautious approach to direct lending. By and large, I believe that our current system—in which private lenders generate the significant capital needed to provide federally guaranteed loans for students—is a sound one. Obviously, loan defaults have posed a problem and no one has argued more strenuously than I for appropriate and necessary program reforms to curb defaults. I fail to see, however, how a direct lending program will address that problem. In fact, in the absence of certain constraints, a direct lending program may exacerbate the default problem.

This is where income-contingent repayment plans—such as that proposed by our very able colleague from the Education and Labor Committee, Mr. PETRI—may be best applied. Under the pilot program in the conference agreement, one-third of the direct loans that are made will potentially be repaid under an income-contingent scheme.

It is also important to note that the Congressional Budget Office has reported that the administrative costs of running a direct lending program—even a pilot—may prove to be far greater than direct lending proponents would suggest. Thus, I will be watching closely the development and implementation of this pilot program.

Mr. Speaker, I wish to congratulate and commend Mr. RAMSTAD and Ms. MOLINARI for their efforts to ensure that each and every college campus has a policy on campus sexual assault. I can certainly attest to the fact that during the hearings that preceded the development of the Higher Education Amendments of 1992, we received very compelling testimony from witnesses who urged us to legislate in this area. I am very pleased that this conference report does, indeed, address the very legitimate, and urgent, concerns of those witnesses.

Mr. Speaker, each and every one of us who has worked on this bill has had to compromise. I do not believe that any one of us has in this conference report every provision that we sought. Perhaps that speaks well for the process that has brought us to this point. This bill is the product of give and take. It is a good, balanced bill. Most importantly, this bill puts the interests of students first. It is, without a doubt, the most significant educational initiative produced by this Congress. I wish to commend and congratulate the distinguished chairman, Mr. FORD, and the ranking members of the full Education and Labor Committee and the Postsecondary Education Subcommittee, Mr. GOODLING and Mr. COLEMAN, respectively, for all their hard work on this bill. I also wish to thank them and their very able staffs for all the courtesies they have extended to me throughout this process.

Mr. Speaker, I strongly urge my colleagues to lend their unanimous support to this conference agreement. This is a good news bill for American higher education.

□ 1650

Mr. FORD of Michigan. Mr. Speaker, I yield 30 seconds to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Speaker, in 1947, President Truman's Commission on Higher Education reported that equal educational opportunity for all persons is a major goal of American democracy. President Lyndon Johnson solidified that goal upon enactment of the Higher Education Act of 1965. Today, Congress has an historic opportunity to reaffirm our commitment by approving the higher education conference report.

For nearly three decades, the Higher Education Act assisted scores of individuals to pursue education or training beyond high school. Low-income and disadvantaged students had access to Pell grants, guaranteed student loans, teacher training, work study programs, and a variety of other educational services and programs.

The Higher Education conference agreement, which we are considering today, enhances financial aid to the working class. More importantly, it significantly expands access to higher education for students from middle-income families, with about 1 million of them eligible for financial aid in the first year alone.

We can be proud of the way we support postsecondary education in this country. The American system of higher education is the envy of most nations in the world. Let us continue our high standard of providing quality education by reinvesting in the programs included in this conference agreement.

As a former teacher, I believe that our people must be provided with quality education and training opportunities. In today's increasingly competitive world marketplace, we cannot afford to turn our backs away from our education needs and our competitive goals.

Keep the 1947 and 1965 promises alive by joining me in support of the Higher Education conference report. I applaud Chairman FORD and my colleagues on the Education and Labor Committee for a superb job in crafting this comprehensive contribution to higher education as we approach the year 2000.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Speaker, we have been struggling to pass an economic growth package, searching for ways to help the struggling middle class, and battling for improvements in our education system.

The pending conference report helps us accomplish all three objectives at once. This unsung legislation is one of the crowning achievements of this Congress.

If our goal is to train a highly skilled work force that will leave our foreign competitors in the dust, this conference report will do it.

If our goal is to assist the ailing middle class of this Nation—the hardworking, taxpaying citizens who make this Nation great—this conference report will do it.

If our goal is to create the foundation for sustained growth that will last long into the future, this conference report will do it.

Mr. Speaker, this conference report promises to aid the middle class and boost the economy. Any dissent from those goals would be an abomination, and I strongly urge my colleagues to join in unanimous support to this worthy legislation.

I would also like to commend Chairman FORD for the extraordinary work he has done shepherding this bill through the legislative process under circumstances that were often very trying. His leadership, his long years of experience with Federal student aid, and his legislative acumen are among the major reasons why the final agreement is so beneficial to students and their families across this Nation.

This conference report makes dramatic strides that will breathe new life into higher education and expand opportunities for all American citizens.

Where there is now only ignorance and defeatism, the conference report offers early outreach and intervention.

Where there is now only confusion and complexity, the conference report calls for simplicity.

Where there are now programs aimed primarily at traditional students, the conference report recognizes the nontraditional student.

Where there is now insufficient emphasis on teacher recruitment and development, the conference report offers a comprehensive new support system for the educator of the future.

Where there is now a vexing problem with student loan defaults, the conference report demands accountability,

cracks down hard on waste, fraud, and abuse, and saves tax dollars.

And where cost now poses an obstacle to college attendance for the poor and the middle class, the conference report offers a major expansion of student aid for all American students.

It sends this message loud and clear: If you work hard and persevere, you can receive a higher education at the school of your choice; you can succeed in college and beyond; you can be a part of the American dream.

I would also like to take this occasion to mention several specific proposals which I have advocated and consider to be of crucial importance.

First, I am extremely pleased that the final conference agreement maintains the fundamental provisions contained in my bill, H.R. 2350, which proposed a State-Level Matching Grant Program for expanded early intervention services and comprehensive grant aid.

Under this new program, to be known as the National Early Intervention Scholarship and Partnership Program, States will receive matching grants from the Federal Government for two fundamental purposes: Partnership designed to keep students in school and prepare them for postsecondary education, and scholarships designed to remove cost as an obstacle to higher education for disadvantaged students.

This new program is based largely on New York State's Liberty Partnership and Scholarship Program, crafted by Gov. Mario Cuomo. I would like to take this occasion to once again thank the Governor for his assistance in drafting and pressing for this important new program, which has the potential to achieve a dramatic turnaround in college completion rates among disadvantaged youth.

Second, I am extremely pleased that the final conference report also preserves the essential provisions contained in the bill I proposed jointly with Mr. GOODLING, H.R. 2716, to significantly expand the State role in oversight and approval of postsecondary education institutions.

We all know by now that more than half of all funds for the Guaranteed Student Loan Program are devoted to paying costs associated with student loan defaults. In fact, the default crisis will cost our Nation more than $3.6 billion this year alone. Testimony before our committee made clear that the default problem was created by substandard schools seeking to profit from Federal student aid programs without providing a quality education. The problem was then exacerbated by a history of weak oversight.

The final provisions contained in the conference report will help us solve this problem once and for all. Institutions showing specific warning signs will be identified by the Secretary of Education and will be carefully scrutinized by the States. These which do not meet minimum standards will be terminated from participation in all Federal student aid programs.

These new program integrity provisions get tough on institutions which have violated the public trust—without imposing an undue burden on high quality institutions which have been conscientious in administering title IV student aid programs. The result will be increased accountability, reduced default costs, and a growing confidence that title IV aid is serving those it was intended to serve: our Nation's students.

It is important to note that State approval is only one leg of the triad of institutional eligibility and oversight which exists under the Higher Education Act. The other two legs, Department of Education certification and accreditation, are also considerably strengthened by this bill, and the bill incorporates key suggestions which I made with respect to increased minimum standards for accrediting agencies.

Third, I am pleased that my bill to expand opportunities for women and minorities in science and mathematics, H.R. 2142, has been incorporated into the final agreement. Women and minorities will make up more than 80 percent of new entrants into the work force during the next decade, yet they are drastically underrepresented in science courses and careers. These provisions will help women and minorities succeed in these crucial fields, and help our Nation become more competitive.

Finally, I am pleased that the final agreement incorporates my bill, H.R. 2065, the Higher Education Disclosure Act, to reinstate a provision of law which required institutions to disclose large gifts from foreign entities, as well as any conditions which are attached to them. This important sunshine provision was sunset without reason and deserves to be restored to the act.

We all know that our Nation is facing an economic crisis as we head into the 21st century.

At the individual level, American families are hard pressed to make ends meet, let alone afford the high and rising costs of postsecondary education.

And at the national level, we face a shortage of skilled workers who are urgently needed if we hope to remain competitive in the global marketplace.

This conference report responds directly to these pressing concerns.

To our Nation's young people and their families, it offers hope that their dreams of a college education and a brighter future will become a reality.

And to our Nation, it offers the prospect of a revitalized economy, spurred forward by a surge in the number of highly trained college graduates entering the work force.

This legislation will expand individual opportunity and national prosperity, and it will create a better future for all Americans.

These are not only worthy goals, they are among the most important goals we can set as a nation. It is my sincere hope that the entire Congress will embrace them as wholeheartedly as I do.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island [Mr. REED].

Mr. REED. Mr. Speaker, I rise in enthusiastic support for the conference report. I want to commend the gentleman from Michigan [Mr. FORD], the chairman, and the gentleman from Missouri [Mr. COLEMAN] for their efforts, and all my colleagues on this committee.

This conference report represents a recommitment to providing opportunities for all Americans, particularly middle-income Americans. I am particularly proud that my proposal to eliminate home equity was included in this proposal because it will open up for thousands and thousands of Americans, middle-income Americans, opportunities to send their children to school and to send themselves to school. That is an extraordinary opportunity for this country and for many, many Americans.

Education is the engine which pulls this country forward. Today we provided a stronger, more dynamic engine to pull us ahead to face the challenges of competition, to provide a work force that is trained, and provide a citizenry which understands their rights, understands their responsibilities, and will lead us forward into the next decade and into the next century.

I am very proud to be associated with this committee, this conference report, and again I commend all of my colleagues for their extraordinary efforts.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin [Mr. GUNDERSON], who has really given us his input on the issue of nontraditional students. Much of what he has proposed in the past is contained in this conference report.

Mr. GUNDERSON. Mr. Speaker, allow me to join with those who have spoken before me from the Committee on Education and Labor in commending the chairman, the gentleman from Michigan [Mr. FORD], the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from Missouri [Mr. COLEMAN], my colleagues, and the education committee staff, especially Tom Wolanin, Maureen Long, Diane Stark, Gloria Gray-Watson, Jo-Marie St. Martin, Rose DiNapoli, and Linda Castleman for spending the last year and a half in drafting a higher education bill that addresses the needs of our present and future work force.

This bill may very well be the most important legislative initiative that Congress will pass this session. The

1992 Higher Education Act provides significant changes in student financial aid programs and in other services that assist those enrolled in postsecondary education. Perhaps one of the more critical areas that we address in this bill focuses on expanding access to higher education to middle-income families by excluding the family farm or home from one's assets when calculating financial need.

Those of us on the Education and Labor Committee began working on this bill in the spring of 1991. The first hearing the committee held focused on demographics and the cost of postsecondary education. It is that first hearing that laid the foundation for the bill we are passing in this body today. At that hearing, we heard from Dr. Arnold Packer, coauthor of "Work force 2000." In his testimony, he told the committee that "between now and the year 2000, for the first time in history, a majority of all new jobs, will require postsecondary education." On that same day, we also heard from several witnesses who specifically discussed the changing age component on postsecondary school campuses. Today, over 40 percent of all undergraduate students are now 22 years of age or older, compared to less than 25 percent when the Higher Education Act was first enacted in 1965. Part-time students now constitute over one-third of all undergraduate enrollments, compared to less than one-quarter in 1965. Over half of all student aid recipients now qualify as financially independent.

We also conducted hearings throughout the United States and heard from students and parents about the challenges they face in pursuing higher education. Last July, the committee held a hearing in my State of Wisconsin. One of the witnesses at that hearing, Mahrie Hightower, a student at Viterbo College in La Crosse, exemplified the importance of not limiting the Higher Education Act to the traditional 4-year, 18- to 22-year-old college student. She is over 30 years of age, a single parent, and is scheduled to graduate this year.

We also heard from students with disabilities who were encountering difficulties regarding access to necessary educational materials. One such student was Paul Frank, then a student at the University of Wisconsin—La Crosse, who was encountering problems in locating certain scientific textbooks on tape. His difficulty led to exploring other problems that students with disabilities were finding on college campuses.

The final 1992 higher education package is a reflection of the testimony that we heard in the 40-plus hearings the committee conducted and perhaps, most importantly, a reflection of the concerns that we heard from parents and students attending postsecondary schools and universities in our congressional districts. The 1992 Higher Education Act includes several key provisions that should ease the financial burden and increase the accessibility of seeking a postsecondary education. Under the bill, the maximum Pell grant award will be increased to $3,700. A very significant provision, I mentioned previously, will exclude the family farm or home from one's assets when calculating financial need. Another important component of the bill is the establishment of the new Federal Family Education Loan Program that increases loan limits. The Higher Education Act also includes a major change in the PLUS Program where parents will now be able to borrow up to the expected family contribution. Prior to the enactment of this bill, there was a $4,000 limit on PLUS borrowers.

One of the key sections of the bill recognizes the changing demographics I discussed earlier. We have included various components that will benefit nontraditional students. One provision will enable less than half-time students to qualify for Pell grant eligibility. College work study and Perkins loan programs will become more accessible to nontraditional students. In order to accommodate the schedules of nontraditional students, both libraries and counseling services will have extended hours. For the first time, the Department of Education will gather data on nontraditional students, assessing the availability of programs and making recommendations.

The 1992 Higher Education Act also recognizes the needs of students with disabilities. Services will be expanded to create partnerships between secondary and postsecondary schools. This will encourage students with disabilities to seek higher education opportunities. Another important section of the bill will increase the availability of educational materials to students with disabilities, especially those who are visually impaired.

This bill also recognizes the challenges faced in graduate education. In the math and science arenas, over 50 percent of graduate degrees have been earned by foreign students. We are delighted to have international students on our college campuses and we are enriched by their multicultural perspective. However, the increasing number of degrees awarded to international students presents us with a challenge to find mechanisms that will enable American students to pursue graduate education. We have begun to meet that challenge in this bill by having the Department of Education conduct a study examining the various factors presenting obstacles to American students in seeking graduate degrees.

This bill is a bipartisan effort and symbolizes the purpose of the original 1965 Higher Education Act which stated:

The committee has not set age limitations with respect to recipients, nor is a preference accorded to any specific academic discipline or year of study.

This bill represents a commitment to education and to our future work force, an investment in America's future. I am proud to have been able to participate in the drafting of this bill and ask all of you to support final passage.

Mr. FORD of Michigan. Mr. Speaker, I yield 30 seconds to the gentleman from Missouri [Mr. CLAY], chairman of the Committee on Post Office and Civil Service.

Mr. CLAY. Mr. Speaker, I rise in support of S. 1150, the Higher Education Amendments of 1992, which reauthorizes and improves the Higher Education Act of 1965.

The conference report contains the major Federal programs supporting postsecondary education in this country. This conference report continues our Federal commitment to access in postsecondary education and to educational opportunity. I believe that we have an obligation to our young people in providing the opportunity for all who want to go on to institutions of higher learning.

The programs in this legislation will greatly help our young people, including an improvement of our financial aid system. The financial aid program in this conference report provides an opportunity in terms of making certain that financial impediments will not deter qualified students who wish to pursue higher education. This vital and historic legislation serves as a conduit in expanding and sustaining the American dream that the ancient barriers of poverty and class will not inhibit, restrict, circumscribe, or deny opportunities for higher education for deserving young people throughout our Nation.

Additionally, the conference report contains an improved and strengthened teacher training effort focusing on, among others, State and local programs for teacher excellence, national teacher academies, teacher scholarships and fellowships, as well as minority teacher recruitment.

There are also provisions which will strengthen our historically black colleges and universities. Among these provisions is the Historically Black Colleges and Universities Capital Financing Act. This act will help historically black colleges and universities secure private capital for much-needed institutional improvement and capital projects. More specifically, it will help in building and renovating classroom facilities, libraries, dormitories, and other facilities. The colleges and universities served by this legislation are generally small in size and typically serve students from socially and economically disadvantaged backgrounds. These schools generally experience difficulty securing private capital. This act serves the objective of facilitating

access to the private credit sector to finance worthy and essential capital projects, which enable colleges and universities serving disadvantaged black students to continue and expand upon their educational mission and meet the demands of producing the kind of work force necessary for America to successfully compete in the 21st century.

The record of students who have matriculated at these institutions of higher education and who have attained national recognition in the arts and humanities, the natural science, medicine, law, teaching, and other professional and technical fields is highly impressive. These colleges and universities have an opportunity to build upon this record through support for capital projects. In addition, the graduates of black colleges and universities make a significant contribution through their specialized knowledge and technical skills to the GNP of our Nation. It is most important, as a part of the multiplier effect, that this contribution of service continue to go forward with the support of the Congress. It is clear that without these colleges and universities, thousands of black students will be denied the opportunity of higher education. The historically black colleges and universities have admitted young people who are viewed as nonproductive in our society and have nurtured, sustained, and developed them into productive and resourceful college graduates.

In addition to the Historically Black Colleges and Universities Capital Financing Act, I also sponsored a study of civilian aviation education training programs. This study is to be conducted by the National Academy of Sciences' Commission on Behavioral and Social Sciences Education in consultation with the Secretary of Education. This is a study of the air transportation industry and the education of airline pilots and other aviation management personnel. The over-arching focus of this study is to meet projected shortages of qualified personnel in the air transportation industry in the year 2000 and beyond.

The study will also include a thorough investigation of recruitment, aviation training outside the military context, financial and other incentives and disincentives which affect the flow of people, and especially minorities and women, into the industry. Congress intended that the National Academy of Sciences' Commission on Behavioral and Social Sciences and Education will also include representatives of historically black colleges and universities, the Organization of Black Airline Pilots, and the Tuskegee Airmen, Inc., as members of the advisory committee.

It has been cited that there is a severely reduced role of the military as a source of supply of trained pilots and mechanics and other personnel for commercial aviation; that approximately 50 percent of the 52,000 commercial pilots currently flying will retire by the year 2000 and that an additional 8,000 to 10,000 pilots will be needed by then; and that there is a significant underrepresentation of minorities and women currently working in the aviation industry. Blacks constitute less than 1 percent of pilots with the Nation's scheduled air carriers.

Congress intends that the Secretary of Education shall enter into a contract or grant with the National Academy of Sciences within 60 days of the passage of this legislation for the purposes of this study.

It is important, as you well know, that as we face global competition from abroad in the area of high technology and cybernetics, all of our institutions of higher education should be in the best possible position to add to our economic strength by ensuring that we have graduates of high quality.

I believe that, in a time of an economic downturn and growing dependence on foreign products, this legislation will serve as a catalyst or a multiplier effect for our economy. In brief, I believe that this legislation is a prudent investment in our Nation's future.

Further, I believe that this legislation vitalizes hope, energizes the life of the mind, and expand human possibilities, and the annals of higher education are enriched and expanded by this conference report.

It is in our national interest that this legislation should be supported by all enthusiastically, and I urge my colleagues to give their support.

Mr. FORD of Michigan. Mr. Speaker, it is a pleasure to yield 1 minute to the gentleman from Ohio [Mr. SAWYER], a very valuable member of our committee.

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

Mr. SAWYER. Mr. Speaker, our Federal Government created America's land grant colleges in the last century. America was changing, and higher education helped to elevate the Nation and its people, and to lead the world through this century.

We are again seeing human, economic, and technological change unparalleled in a century. This bill responds to that sweeping change. It increases the availability of grants and loans for students who today are often trying to support families of their own.

It offers real guidance to make sure that students know early that with this help they can afford a college education and real job training.

It recognizes that, for the first time, more than three-fourths of us live in cities, and provides funds to urban universities to work in partnership for real change and renewal in our cities.

In short, this is a bill that offers genuine promise in addressing some of America's most pressing challenges for the next century. You can vote for it with pride.

Mr. COLEMAN of Missouri. Mr. Speaker, many people had a role to play in this conference report, and there were great contributions, not the least of which were made by the gentleman from Michigan [Mr. HENRY].

I yield 2½ minutes to the gentleman from Michigan [Mr. HENRY].

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

Mr. HENRY. Mr. Speaker, I rise in strong support of the higher education reauthorization, and I commend the chairman of the Education and Labor Committee [Mr. FORD] for the skillful leadership he has demonstrated in shaping the conference report so ably.

Mr. Speaker, the media tend to focus on the negative. We hear altogether too much about gridlock between the two political parties, or the stalemate between the legislative and executive branches of Government. I wish the media would report what we are doing here today. Today, we celebrate reaching consensus not only between the House and Senate via the conference process, but agreement on substance in which both majority and minority, both executive and legislative, take pride in shared contribution and ownership.

There are many worthy reforms and initiatives in the conference report now before us. Perhpas most importantly, Federal support for students from middle America, middle-income families is being restored. Over the years, middle-income students gradually saw their ability to participate in these student financial support programs eroded by inflation, savings disqualifications which penalized families which had saved for higher education expenses, and disqualifications based on home equity and business and farm equity tests. All the while, the costs of education were rising while eligibility for financial assistance had been shrinking.

Second, this legislation addresses many of the problems associated with student loan defaults, as well as those associated with a small, but financially significant, number of institutions who exploited student grant programs for their own gain at the expense of both students and the public Treasury. The so-called integrity reforms included in this legislation will save significant sums which, in turn, can be utilized to provide additional support for worthy students attending worthy institutions without significant costs being passed on to the taxpayer. While I had hoped we could also further reform the ability-to-benefit provision in the student grant and student loan programs, I nonetheless wish to acknowledge that many of the abuses about which I have expressed concern over the years are indeed being addressed.

Third, I want to note that the conference report includes the provision requiring uniform reporting of athletic program revenues and expenditures by those institutions engaged in NCAA division I and division II programs. For the first time, the public, State legislatures, and institutional boards of control will have truly comparable data upon which to make judgments as to whether student athletic programs are being properly administered and in keeping with the primary educational purposes of our colleges and universities. I also want to acknowledge the support of the NCAA in helping us draft the final language which is included in the conference report; their participation in this process gives testimony to the NCAA's commitment to good faith effort at implementing the Knight Commission report.

Finally, I want to commend all parties—Chairman FORD, Secretary Alexander, President Bush, Representative COLEMAN, Representative PETRI, as well as others in both House and Senate—for coming to constructive closure on the direct loan innovations in this bill. Whether it be the giant University of Michigan, or smaller liberal arts colleges such as Calvin College, in my district, there are many institutions which I am sure will want to avail themselves of this pilot project which holds some hope of reducing paperwork and costs associated with the student loan programs.

Certainly, this legislation is not without its flaws. Some would question the costs associated with new program initiatives while we still bemoan the fact that existing core programs in the student grant and loan programs are not sufficiently funded to serve existing demonstrated need. Others might question the wisdom of initiating a new unsubsidized Stafford loan program for students when the private sector is already beginning to enter into this financing arena on its own. And it may well be that in a year or two, we'll have to examine the Federal exposure associated with this new program. But by the large, we have shown that Government can work, and that both the Congress and the administration can be responsive to the challenges facing this country.

Mr. Speaker, I urge Members to join with me in support of this legislation.

□ 1700

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentlewoman from Hawaii [Mrs. MINK], and I would observe that she was one of the cosponsors of this legislation when it was originally passed in the Johnson administration.

Mrs. MINK. Mr. Speaker, I thank the gentleman for yielding me the time and I want to join my colleagues in commending Chairman FORD and the ranking Republican and the other members of the committee for their outstanding work. I consider it a point of very high privilege to have been able to return to be a part of this deliberation.

Mr. Speaker, this is a bill which looks to the future. It acknowledges the changes that have occurred on the campus, the transformation of the student body to part-time students, most of whom are working and who come to the campuses for renewed energy, looking toward their greater participation in our economy. It looks to the broadened support of the middle class in order to enable our students to better participate in the future of this country by being better educated and technologically capable of looking toward the demands of the future.

We have built upon the whole idea of rejuvenating the country's commitment to education, and therefore I am really proud to have been part of this conference, and ask for a very large and outstanding vote in favor of this conference report.

Mr. Speaker, I join my colleagues today in strong support of the conference report on S. 1150, the Higher Education Act amendments of 1992. This bill represents the most important investment our country can make—an investment in its people.

The Higher Education Act amendments will help ensure that every student, young and old, has the opportunity for affordable, quality postsecondary education. It will provide financial assistance to more middle-class students, help women and minorities gain access to higher education in the fields of science and math, improve outreach programs to minorities and low-income students and simplify the application process for Federal financial aid.

Mr. Speaker, some of the most important provisions of this legislation are those that address the needs of nontraditional students, who now make up about 40 percent of our postsecondary population. These are older students, attending school at night and on weekends, often working full time and raising a family. They are housewives who are interested in reentering the workplace, workers who have been laid off and need further training to get a job, or single parents who need more education to obtain a higher paying job to support their family.

I believe that an investment of Federal financial aid in these hardworking individuals will result in many positive returns for this Nation. This is why I included a provision in this bill which will allow students who attend school on a less-than-half-time basis to be eligible for Pell grants. Other provisions in the bill help provide child care for parents attending school and require student support services to be more accessible to those attending school at night and on weekends.

Mr. Speaker, I am pleased that two other provisions that I have authored are included in this final version of the Higher Education Act amendments. The exclusion of home and farm equity from the financial need analysis will eliminate the current bias against families who live in States with inflated real estate values. With the highest average sales price of a single family home, Hawaii residents often have difficulty in meeting the requirements of the current need analysis formula.

The bill also will provide loan forgiveness under the Perkins loan program for students who become nurses or medical technicians. Our country currently faces a shortage of nurses and other medical personnel. It is estimated that 200,000 nurses are needed across the Nation to keep up with the rising demand for health care. Incentives, such as student loan forgiveness, are essential to encourage students to fill this great need in our country's health care system.

Mr. Speaker, this is a sound bill that will provide millions of students with new educational opportunities. I urge all my colleagues to invest in America's future and vote for the conference report on the Higher Education Act.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I thank my chairman and compliment him and the ranking member and all of the members of the conference committee both in the House and the Senate for the masterful job they did in crafting this higher education extension, offering hundreds of thousands of young Americans in the very near future a real opportunity to further their educational opportunities. And I urge the President to sign this. I understand that he has reviewed the legislation, and I certainly urge the President to join us in Congress in taking a great stride forward to show us that the Education and Labor Committee in the House and the Education and Labor Committee in the Senate and the President can work together for the welfare of millions of young Americans in the future.

Mr. Speaker, I rise today to call upon this body to support and quickly pass the conference report to reauthorize the Higher Education Act. As Members of Congress, we owe a great debt of gratitude to the conferees who diligently and carefully crafted such a thorough and balanced report. Today we are acting on behalf of our most important constituents, children, by taking a stand on the important issue of education. This debate is not about who wins or loses this November, it's about which child goes on to college or which is destined to live a short, mean life on the streets because of lack of opportunity.

There is another component, however, haunting today's debate. We must also call upon the President to lay aside campaign politics and work with us and not against the interests of America's students. The lives and futures of America's young adults should never become props in political campaign ads. If this becomes the case, then we are doing a grievous injustice to our youth.

In only a few short years, the United States will enter the 21st century. At present, we are witnessing a remarkable change among the world's superpowers. Can we remain the strongest power in the world only by virtue of our military prowess? Can we expect to remain the leading symbol of political and eco-

nomic success to the rest of the world if we fail to properly support and nurture our youth? We all know that the answer is no. We must agree that this type of shortsighted policy is the quickest route to ruin. I, for one, will not let opportunities like we have here today be sacrificed to partisan politics.

Many of those who will be most affected by the outcome of this debate are too young to vote, and too naive to understand the motives behind our motions. Although they do not know it, for many of them their future is being decided today. I do not want to take part in a partisan battle that will send the wrong message to them and do irreparable damage to our future. For this reason, I call upon all of my colleagues here today to resist the urge to take the low road of politics as usual, and work together to see that this excellent legislation becomes law.

Mr. COLEMAN of Missouri. Mr. Speaker, I want to assure my colleague that there is no question the President does support this conference report and intends to sign it.

Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Ms. MOLINARI], a new and valued member of our Committee on Education and Labor.

Ms. MOLINARI. Mr. Speaker, I rise today in strong support of the conference report on the Higher Education Act Amendments of 1992, S. 1150. As a member of the House Education and Labor Committee, I am proud to have played a role in the important mission and vision embodied in this legislation.

The challenge, to recapture and maintain America's economic momentum, amid global competition, requires a highly educated labor force. Our country cannot afford to have a shortage of adequately trained people who can master the jobs that are necessary to remain competitive. This reauthorization legislation is the blueprint for access to education as the means of increasing national economic growth and individual economic achievement.

Let us look back over the past decade. The costs of a college education have escalated 135 percent, while family income has risen by only half of that. Our committee recognized the importance of keeping the doors of opportunity open for middle-income families who simply do not have the financial means to pay for a college education. That is why I am proud to vote in favor of this important legislation before us today.

Passage of this conference report will go a long way toward restoring the promise of opportunity that is the foundation of our economic strength. It will provide real assistance to families who need it—so that working and middle-income families will not have to see the dream of college education slip out of their reach.3

The conference report we are considering includes many important provisions designed to help the tax-paying working and middle-income families. Regardless of family income all students can borrow up to the maximum Stafford loan, with eligibility for the in-school interest subsidy based on financial need.

The maximum Stafford loan for the 1993–94 school year will be $2,625 for first-year students, $3,500 for second-year students, compared to $2,625 currently; $5,500 for third- and fourth-year students, compared to $4,000 currently; and $8,500 for graduate students, compared to $7,500 currently. All parents with no adverse credit history will be able to borrow up to the total college cost minus other financial aid through the Parent Loans to Undergraduate Students [PLUS] Program.

In the past, many hardworking Staten Island and Brooklyn families have not qualified for student financial aid because of the inclusion of the value of a family home in the calculation of need. In this conference report we eliminate the equity in a family's home or farm in determining eligibility for financial assistance. We increase the maximum Pell grant award from $2,400 to $3,700, and a family of four with an income of $42,000 will be eligible for the minimum Pell grant at full funding—compared to a family of four with an income of $35,000 currently.

Because the current application process for financial aid is extremely complex and discourages many students from applying for aid, the conference report simplifies the current students aid form for applying for Federal student aid and a single needs analysis for all Federal student financial aid programs.

One of the most serious issues the conference report addresses is to end waste and abuse in the student loan program. Over the past 5 years, we have seen an unacceptable increase in loan defaults. To stop this hemorrhaging of the taxpayer's money, the bill includes nearly 100 provisions to strengthen controls on colleges and universities to end waste, fraud, and abuse.

By the year 2000, two out of three new entrants into the work force will be women or minorities, and 86 percent of jobs available will require post-secondary education or training. For these reasons, the conference report includes outreach programs to increase the number of women and minorities enrolled in science and engineering programs. In addition, the bill revises the programs that serve nontraditional students, many of whom are single women with families, more effectively by increasing support for child care expenses and extending eligibility for Pell grants to less-than-half-time students.

I want to thank the chairman and the ranking minority member for including in the conference report a number of provisions that I introduced during consideration of this legislation. The first provision establishes a prefreshman summer program to supplement existing Federal and State efforts to help disadvantaged students. Years of experience in New York State's opportunity programs demonstrate that for economically disadvantaged students, prefreshman summer programs are closely correlated with academic success.

The second provision requires colleges and universities to formulate and distribute a campus sexual assault policy. College and university campuses are seeing an alarming rise in the instances of date and acquaintance rape. The statistics are horrific: From 60 to 80 percent of rapes are date or acquaintance rapes. Although campus rape is reported every 21 hours, studies reveal that the actual incidence of rape is much higher. It is time to assign the role of responsibility for campus safety to colleges and universities. I am particularly pleased that this provision will be there to protect our daughters and sisters as they head off to college.

The third provision increases the amount of money for the Student Literacy Corps [SLC], a program to increase literacy and other educational skills by having college students tutor in public community agencies which serve educationally or economically disadvantaged individuals. As well as additional funding levels, each institution will now be allowed to receive one grant for each branch campus affiliated with it. This will allow schools that have multiple campuses in various cities to have a SLC program at each location.

I believe that this conference report goes a long way in giving the families of our country the hope that their children will be provided new and greater educational and economic opportunities. A nation is as strong as the people that inhabit it. I urge all my colleagues to support passage of this conference report.

With regard to the reauthorization of the Higher Education Act, I would like to ask my distinguished colleague a few questions about a specific amendment agreed to by the House and Senate conferees relating to the eligibility of foreign medical schools to participate in the Stafford student loan program. It is my understanding that section 481(a)(2)(A)(i) was amended by adding the words "or (ii) the institution's clinical training program was approved by a State as of January 1, 1992."

Mr. ANDREWS of New Jersey. If the gentlewoman will yield, that is correct.

Ms. MOLINARI. It is my understanding that when the amendment was drafted we understood that it would include at least four institutions, two of which are American University of the Caribbean Medical School in Montserrat, West Indies, and St. Georges University Medical School in Grenada.

It is also my understanding that in section 481(a)(2)(A) that foreign medical schools have to comply with either category (i) (I) and (II) or category (ii). Is that the Congressman's understanding as well?

Mr. ANDREWS of New Jersey. Yes, it is. Under section 481(a)(2)(A) all foreign medical schools will have to fully comply with either category (i) which requires the foreign institution to maintain 60 percent of their enrollment as non-U.S. citizens and the foreign institution must have a 60-percent passage rate of their foreign medical graduates during the course of 1 year, or be able to meet the criteria set forth in category (ii) of having had an approved clinical training program in any State in the United States as of January 1, 1992.

Ms. MOLINARI. I thank the gentleman for clarifying the intention of this amendment. If this amendment were misinterpreted it could have a devastating effect upon the American University of the Caribbean Medical School and St. Georges University Medical School, which have educated hundreds of medical doctors who have come back to urban areas in our States. These doctors make a significant difference in the availability of health care for hundreds of people in my home State as well as throughout the country. Thus, I have taken additional time today to make clear the intention of the conference report language, so that there is no misunderstanding as to what the word "approved" means in section 481(a)(2)(A)(ii).

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Speaker, I rise to express my strong support for S. 1150, the conference agreement on the higher education reauthorization.

Last year at the beginning of the reauthorization process, before the 44 hearings that were conducted, many people were saying that the reauthorization of the Higher Education Act is one of the most important pieces of social legislation of the 102d Congress. I wholeheartedly believe that this measure is of vital importance to our entire society.

As we approach the year 2000, everyone must be prepared for a society that is becoming increasingly dependent on advanced technology. This means that access to a quality education for every citizen of this country is imperative.

Therefore we had to address the needs of as many different types of students as possible. This measure ambitiously seeks to expand Federal financial aid to students from middle-class families and redresses the current imbalance between reliance on loans and grants, improves integrity of Federal financial aid programs without arbitrarily eliminating institutions that may have higher default rate because of economic trends and the populations they serve, as we know default rates are not necessarily a key indicator of educational quality.

It also contains provisions to minimize waste and abuse and loan defaults and to serve nontraditional students more effectively, simplifies student aid programs, and improves early intervention and outreach programs.

I am very pleased that the bill also contains some of my provisions intended to improve library programs that serve historically black colleges and universities and other minority-serving institutions, to improve teacher training, recruitment and retention, and assist low-income and minority students to pursue a legal education.

Additionally, I look forward to the inclusion of Hispanic serving institutions in title III of the act.

Thousands of students from all over the world come to the United States to take advantage of our excellent system of postsecondary education. Through the efforts of this bill to increase access to postsecondary education, we can now encourage and help our own students take advantage of some of these opportunities, especially as the competition in the global marketplace increases.

Also, I would like to commend Chairman BILL FORD for his leadership and all of his hard work during this reauthorization process, and I commend also the minority leader, the gentleman from Pennsylvania [Mr. GOODLING].

Mr. Speaker, I certainly support this conference agreement and it deserves to pass the House without any major changes.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Speaker, today I rise in strong support of the conference agreement on the Higher Education Act amendments which will enable more high school graduates from middle- and low-income families to afford a college education. The reauthorizing legislation before us today represents the result of bipartisan efforts to ensure students and their families are not excluded from educational opportunities.

Too often these days I hear that high school graduates are putting their college education on hold. Indeed, this summer the question for too many of these bright students is not, "Which college to attend?" but, "Can I afford to go?" Many families are faced with impossible choices—like depleting their hard-earned retirement savings so they can send their child to college.

This new bill will help these families. It underscores the Nation's commitment to assist middle-income families in attaining their educational goals. More than 1.5 million new students will be eligible for financial aid through the restructuring of loan eligibility procedures, including:

The development of an unsubsidized Stafford Loan Program that would make eligible all students, regardless of family income:

The amendment of the need analysis to allow families with an annual income of up to $70,000 to be eligible for subsidized student loans;

The elimination of income limitations for PLUS loans—guaranteed loans for parents of students—to allow more than 3 million families to borrow increased amounts under this program; and

The establishment of a single need analysis for all Federal financial aid programs which excludes from assets the equity on a home or family farm.

In addition, more than 4 million families and students will be able to borrow increased amounts annually.

Stafford loan limits will increase to $3,500 for full-time second year students, from $4,000 to $5,500 for undergraduate juniors and seniors, and from $7,500 to $8,500 for full-time graduate students.

Supplemental loans for students [SLS] limits for full-time graduate students, will rise from $4,000 to $10,000 per year.

It is time to make these proposals a reality for the millions of Americans who will benefit from them. We must allow students returning to school the liberty of concentrating on their studies, not their finances.

This legislation also represents a commitment to the future of our Nation. Ensuring that our people are educated and our work force is trained to allow for greater productivity and a rising standard of living in this increasingly competitive and changing world.

I urge my colleagues to join me in strong support today of this vital legislation.

□ 1710

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. OLVER], a valuable new member of the committee and a contributor to this report.

Mr. OLVER. Mr. Speaker, today I rise in support of the Higher Education Amendments Act of 1992 conference bill, S. 1150. This legislation will maintain and expand broad access to higher education for many of the students in western Massachusetts as well as provide for much needed Federal investment in our Nation's economic growth. I would like at this time, to congratulate Chairman FORD for his leadership on this important legislation. His perseverance and determination brought this legislation to the floor today.

This education bill contains several key provisions to expand access to stu-

dent financial assistance not only to the neediest students, but also to middle income families. Since the burden of the soaring costs of college reach not only our neediest students but our middle class students as well.

Two portions of this bill directly help middle-class families, particularly in New England—expanded access to loans for middle-class families and the exclusion of a family's home or farm equity when determining financial aid eligibility.

This bill will make the financing of a college education available to many middle-income families raising the Pell grant level and increasing the amount of student loans.

First, the maximum Pell grant is increased from $2,400 to $3,700. Next year students in western Massachusetts could receive grants totaling nearly $8 million if Pell grants are fully funded—almost twice the amount awarded last year.

Second, a 50-percent increase in the student loan program will allow students who go to college in western Massachusetts to be eligible to receive over $30 million next year, up from the $20 million they received last year.

In addition the legislation contains a new set of program integrity provisions to curb waste, fraud, and abuse, and will ensure that taxpayer's money will be properly invested in support of quality education for all of our citizens.

At a time when the United States needs a highly educated work force to compete in a world economy, we must ensure that higher education be accessible to all Americans. This legislation makes dramatic steps in achieving this goal, therefore I ask for swift passage and urge the President to sign it.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Speaker, I rise in strong support of this conference report.

Mr. Speaker, I rise today in support of the higher education conference report. As a former teacher and a father of five, I recognize the importance of a good education, and the financial difficulty families face in providing their children an education. This legislation recognizes the need for the Federal Government to assist low- and middle-income families with the cost of a college education. College tuition costs have skyrocketed, growing up to three times faster than the growth in median family income. At a time when higher education is becoming a must, hard working middle income families are finding it difficult to provide their children with a college education. We must not let our children's dreams of a college education drift out of reach. This legislation recognizes the need to address this concern.

This conference report will allow all students regardless of family income to borrow up to the maximum Stafford loan. A family's home will not be considered in determining a student's eligibility for financial assistance. Families will be provided with incentives to save for a college education. The maximum Pell grant award will be increased from $2,400 to $3,700. Under this legislation, a family of four with an income of $42,000 will be eligible for Pell grants. Six million students will be assisted by the $21.5 billion authorized in this legislation. These facts display how this conference report has taken significant steps forward to assist the American family in financing a college education.

I am pleased that the conference agreement restores eligibility to programs of less than 600 clock hours. This measure is of great concern to many of my constituents who are entering the fields of welding, trucking, computers, automotive repair, health care, and paralegal services. However, I am disappointed that the conference report also severely restricts access to Federal student aid for those who attend these programs. The bill reduces Stafford loan limits for less than 12-month programs, from $2,625 to $875, for programs between 300 to 599 clock hours, and $1,750 for programs between 600–899 clock hours. In addition, the legislation eliminates supplemental loan for students for programs between 300 and 449 clock hours. Students in these programs are dependent on financial aid. These actions will eliminate education and threaten the future of many academic institutions.

I am concerned about the definition of an eligible program under this legislation. The bill mandates the minimum length for a program to maintain eligibility. The bill defines one-third of an academic year as 10 weeks, two-thirds of an academic year equals 15 weeks, and then jumps to define a full academic year as 30 weeks. The result is that it will unnecessarily extend the length of a full-time student's course of study. To put undue burden on students and especially retraining adults contradicts the goal of the overall bill to best serve and assist those seeking a higher education. Defining an academic year as 24 weeks would better reflect the number of weeks necessary to ensure that students in short-term programs are ready to enter the job market with the proper skills and training. I would like the committee to review this issue when it considers technical corrections.

I commend the work of the committee, especially Chairman FORD and the ranking Republican, my colleague from Pennsylvania, BILL GOODLING. They have brought before us a conference report which will greatly assist American families in meeting the rising cost of a college education.

PARLIAMENTARY INQUIRY

Mr. FORD of Michigan. Mr. Speaker, I have a parliamentary inquiry, so that it does not come out of the gentleman's time or my time.

The SPEAKER pro tempore (Mr. TORRES). The gentleman will state his parliamentary inquiry.

Mr. FORD of Michigan. Mr. Speaker, is my understanding correct that the unanimous-consent agreement that I relieved at the beginning before the debate protects all Members who happen to come over here to the floor and who want to insert their remarks in the RECORD?

The SPEAKER pro tempore. The gentleman is correct.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. BARRETT], again, a newer member and a very valued and constructive member of our committee.

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

Mr. Speaker, I rise in strong support of the conference report on the Higher Education Amendments of 1992. It represents a true bipartisan effort, which is a rare bird in an election year.

We have been able to increase loan and grant limits, and still stay within our paygo rules. In fact, there will be a $40 million expected surplus in the guaranteed student loan program.

We have simplified the financial aid process for students and families, by having just one form for them to complete for Federal financial aid.

Middle-income families who are trying to send a son or daughter to college, or who are trying to go back to school themselves, have told me repeatedly that they are being ruled out of obtaining even a student loan, because of the divestments they have made in the farm, home, or small business.

Well, the conference report on S. 1150 takes us in the right direction, by excluding farm and home equity in determining eligibility for student aid. As well, for small business owners we have updated the formula used to determine small business equity.

While I would like to have small business assets totally eliminated, as we do for farms and homes, and as my bill, H.R. 3411 does—I am pleased nevertheless that two out the three provisions from H.R. 3411 did make the final cut. Maybe in the next reauthorization we can make that change.

And what has drawn a lot of attention in the student aid program—$3.6 billion in defaulted student loans—is addressed head-on in this conference agreement. We have strengthened the hand of Federal and State regulators to take action against troubled schools, but leave the colleges and universities that are doing the job in providing quality education, to continue to do so without too much interference. This stranglehold of defaulted student loans that is denying needy students access to student loans must be resolved, and I am confident that this conference report will help release that grip.

I congratulate the gentleman from Missouri [Mr. COLEMAN], the gentleman from Pennsylvania [Mr. GOODLING], and the gentleman from Michigan [Mr. FORD] and their staffs for their hard work in attaining a good bill.

Mr. FORD of Michigan. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Speaker, I, too, would like to commend the

chairman of the committee and the ranking minority member for the good job they have done in getting this legislation before us.

Mr. Speaker, I rise today to express my full support for the conference agreement on higher education. As you know, this measure reauthorizes the major Federal programs supporting postsecondary education, including over $18 billion in student aid to help financially needy students attain a higher education.

As a member of the committee, our initial goal in this reauthorization was to ease the burden low- and middle-income families must carry in order to educate our youth. Successfully earning a higher education is becoming more and more financially difficult for most, and almost totally impossible for many minority youth. We must reinvest in the people of this Nation so that we are adequately prepared to compete with our minds instead of with military weaponry.

That is what we have done today in this conference report. We have been successful in increasing student aid fund for Pell grants, as well as for student loans. While I regret that we were not successful in retaining language creating the Pell grant as an entitlement, which is truly what we ought to do for this Nation's students, I am pleased that we have made strides in improving access and opportunity to a higher education for millions of Americans.

Included in this measure are two provisions which I authored. The first provision establishes an Institute for International Public Policy, which will hopefully encourage greater representation of African-Americans and other minorities in international service, including the Foreign Service. Additionally, this measure includes a new demonstration program which encourages female and minority elementary and secondary students to pursue higher education in science and engineering. This provision was modeled after effective and innovative outreach programs for female and minority students at the Illinois Institute of Technology on the South Side of Chicago.

I encourage the support of my colleagues today because it is my belief that this is the first true economic relief package that has been considered in this body. With the riots in Los Angeles, and other disturbances nationwide, indelibly etched in our memories, we must continue in our efforts to improve educational opportunities for this Nation.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER], another new and valuable member of the committee.

Mr. ROEMER. Mr. Speaker, I would like to begin my remarks by saluting and commending our distinguished chairman for his hard work over the last year and a half. I commend also the ranking minority member and the gentleman from Pennsylvania [Mr. GOODLING], who has worked so hard, as well as the staffs on both sides of the aisle on this bill.

Mr. Speaker, I rise in strong support of the conference report on S. 1150, the Higher Education Amendments of 1992. I would like to take this opportunity to commend the chairman of the Subcommittee on Postsecondary Education, BILL FORD, for his tireless efforts in shepherding this landmark bill through the Congress over the past year and a half.

As a member of the Subcommittee on Postsecondary Education who is deeply concerned about education, I was pleased to participate in this reauthorization process. One of the committee's primary goals in this process was to increase financial aid, both in terms of grants and loans, for low- and middle-income working families. The legislation before us today will enable millions of Americans to realize their lifelong dream of attending college by providing the assistance necessary to help finance their education.

One of the most important aspects of this legislation is the Pell grant award, which is the true foundation of higher education. Although we raised the Pell grant maximum from the current level of $2,500 to $3,700 for the 1993-94 school year, I am disappointed that we were not able to increase the award to $4,500 until 1997. Over the past decade the cost of attending a public or private institution has risen twice as fast as the median family income. While many families struggle over how they are going to be able to finance their children's education, too often they watch those dreams fade out of their reach because of cost. Many of the changes in this legislation, including the elimination of home equity and family farm in the needs analysis, will expand access for all families regardless of economic status.

In addition to expanding access for middle-income working families who have been squeezed out of the program in the past decade, the legislation also simplifies the student aid application process; significantly expands the early intervention programs, such as TRIO; improves program integrity: more effectively serves nontraditional students; and strengthens the antifraud, abuse provisions in the bill which have led to increased loan defaults in recent years.

As we look toward the 21st century, the workplace will require highly skilled and educated workers. This measure is an integral part of our efforts to improve our competitiveness in a global economy.

Mr. Speaker, I believe that this legislation reaffirms our strong commitment to enhance higher education opportunities for all Americans, and I urge my colleagues to support this important bill.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. MICHEL], the distinguished Republican leader.

Mr. MICHEL. Mr. Speaker, I would like to commend the members of the Education and Labor Committee for their excellent work on this important legislation to reauthorize the Federal higher education programs.

The 5-year authorization we are considering today will provide over $100 billion in financial assistance to students pursuing a higher education.

An important new component of the Stafford Loan Program established by this legislation provides unsubsidized loans to middle-income students.

Although students must begin repaying these loans while still in school, it does provide access to federally guaranteed funds which would not otherwise be available to such students.

I am glad to see middle-income families at last get some attention from us.

The rich can afford elite schools. The very needy benefit from Pell grants.

But the great, hard-working, too often—ignored middle-income families are lost amidst our other concerns.

The society that neglects the higher education of the poor lacks a heart.

But the society that neglects the higher education of its most effective workers—the vital center of our national life—lacks a brain as well.

This bill remembers the forgotten strength of America in higher education—and it is about time.

There are other aspects to the bill that deserve our attention:

The supplemental loans for students program provides unsubsidized loans to independent undergraduate, graduate and professional students;

And the PLUS Program provides unsubsidized loans to parents of dependent undergraduate students.

The bill also increases the maximum grants under the Federal Pell Grant Program for the truly needy pursuing a higher education.

There is an important reform in terms of the needs analysis of students. I refer to the elimination of the family home or family farm when calculating such need.

It is monstrous to ask hard-working people to be penalized because they have the gumption and the work ethic to own a farm or a home.

The legislation also deals with the important issues of program integrity and State oversight.

We have seen alarmingly high default rates in recent years. Part of the problem comes from the usual deadbeats who exploit any good program.

But part of the default problem can be traced to schools that fail the students.

Under the proposed reforms, States must designate postsecondary review

agencies which will review institutions based on certain criteria.

If a State agency disapproves an institution, Federal student aid will be withdrawn.

Diploma mills and fly-by-night education rackets should not be allowed to rip off decent American kids. We have a responsibility to help these students.

I ask my colleagues to join me in voting on this important legislation to continue to improve federal financial assistance for post secondary education.

It seems at times that we can say of education what someone once said about the weather: Everybody talks about it but nobody does anything about it.

Well, in this bill we are doing something about it.

Excellence and performance and discipline and ambition will have to come from the schools and the students and the parents.

But we can at least help a bit.

The President has stated that he will sign this bill when it is presented to him.

□ 1720

Mr. FORD of Michigan. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. ANDREWS], one of our superstars on the committee. The gentleman is a new Member from New Jersey who set about to become and has become the expert in this body or the other body on the new concept, the one new concept that we are bringing to you of a Direct Student Loan Program, saving the Federal Government, we hope, in the future, as this project works out, billions of dollars a year.

Mr. ANDREWS of New Jersey. Mr. Speaker, I begin by thanking my colleagues on both the majority and the minority side, particularly the ranking minority person, the gentleman from Missouri [Mr. COLEMAN], for their excellent work, the staff on both sides, for their tireless work in making this a reality, and especially to Chairman FORD for his guidance and leadership and personal commitment in making this bill a reality.

I am real proud to be part of this, because I think this is an example where government listened and understood for a change.

We understood that people from different political parties have to put aside their differences and do something to move the country forward, and we did in this bill, and both parties should feel very good about that.

We understood that middle class people should do more than just pay for college financial aid. They ought to participate in it as well, and we did something about that, with the unsubsidized program, with the expansion of the Stafford Program, and we believe ultimately with our direct lending demonstration program.

We understand that everybody does not live like Ozzie and Harriet, that there are a lot of people who are single parents who need to get higher education. There are a lot of people who have to go back to higher education in the middle of our lives or in the middle of their careers, and we did something about that. We began to change the formula so those individuals can get back into higher education.

We understood that as we expand education, we do not look to the taxpayers, and we do not look to cutting other worthy programs to pay for it.

This bill begins to say to those who have not done their fair share that they should pay for the expansion of Federal financial aid. If you are receiving bank fees or commitment fees that are a wasteful subsidy, you should pay to expand Federal financial aid, not the taxpayers.

If you are a defaulter on your loan, if you are a school that would exploit this process, you should pay to expand Federal financial aid.

Finally, the thing that I think we should feel most good about is that we are hearing everywhere we go in our districts across this country that Americans want to go back to work. We understood that for many Americans you cannot go back to work until you go back to school, until you get into school, and for many Americans this is the way back to school. It is the way back into school and it is an accomplishment that we should feel very good has been accomplished.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLUG]. It seems that our committee has been blessed by a number of good outstanding new members on both sides of the aisle. I want to commend all those members, and especially the gentleman from Wisconsin [Mr. KLUG] who is one of those new members who have made valuable contributions to this product.

Mr. KLUG. Mr. Speaker, again I want to congratulate Chairman FORD and the gentleman from Missouri [Mr. COLEMAN] and also the gentleman from Pennsylvania [Mr. GOODLING] for their hard work on this bill.

Like many of the speakers before me, let me single out in particular what this bill does for the middle class. By finally removing homes and farms from the need analysis, it is going to reopen loan programs to many middle-income families which have been cut out for the last decade.

Today 80 percent of the financial aid at American universities and colleges goes to families which make less than $20,000 a year. This bill is now going to make aid available to families with say two people working, both of whom make modest salaries, $16,000 or $17,000, $35,000 combined, who are now cut out of the aid program. Instead, with the bill before us today, it is going to expand eligibility perhaps up to $50,000.

I also in particular want to express my delight that we are going to make more money available for the construction of scientific buildings, many of which now on our university campuses were built in the Sputnik era and are beginning to deteriorate.

Earlier today we had a long debate about foreign trade issues, and let us make it clear that it is our scientific research facilities in the United States, and the scientific research done on American campuses which makes us the world power which we are today.

This bill will guarantee that the University of Wisconsin and other major universities will remain the best research facilities in this country as we gradually begin to rebuild our scientific infrastructure.

Keep one fact in mind from the debate about what happened to incomes in the 1980's. Those who prospered were people who had the ability and the access to education, and this piece of legislation in front of us today, done on a bipartisan basis, will guarantee that it will open up education and open up opportunities for the next generation of Americans about to enter our colleges and universities.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Speaker, I rise in support of the conference report on the higher education reauthorization.

A college education is a key to opportunity in our society. Unfortunately, over the last decade the cost of education has increased while the amount of financial aid available to middle-income families has decreased. This legislation helps reverse that trend, and I commend the committee's efforts—and Chairman FORD's leadership—in bringing this bill before the House.

One provision included in this bill is troubling to me, however. Under title IV, proprietary schools are subject to an 85–15 rule. This rule mandates that if a proprietary school receives more than 85 percent of its revenue from Federal financial assistance, then the institution would be ineligible for future Federal funds.

I support efforts to address waste and abuse of Federal dollars in postsecondary institutions. But this provision is extremely discriminatory to proprietary schools that serve financially underprivileged areas—such as the proprietary schools in my district in West Virginia.

I strongly believe the 85–15 rule must be broadened. It must take into consideration such criteria as: the population being served; the demographics of the region; outcomes or placement assessment; and the evaluation of program content.

With such modifications, the 85–15 rule would accomplish its goal without punishing proprietary schools that provide a great service to financially

needy citizens. I hope that this modification can be accommodated in future legislation.

Mr. FORD of Michigan. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the committee chairman for yielding me this time.

I must say as one who went to the University of Denver, as the distinguished chairman did, I am very, very proud and honored that he came forward with this bill. It is a real tribute to the gentleman, because as I hear many people talking about what a great bill it is on both sides of the aisle, it was Chairman FORD who really made this all happen, and I think we cannot forget that.

I would like to engage the gentleman from Michigan, the chairman of the Committee on Education and Labor, in a brief colloquy regarding the issue of loan eligibility. I wanted to make sure that I am correct in stating that for the purposes of determining a student's Stafford and SLS loan limits under both the current law and the conference report, students who are enrolled in a program for which 2 years of postsecondary education are a prerequisite are considered to be third-year undergraduate students?

Mr. FORD of Michigan. Mr. Speaker, if the gentlewoman will yield, the gentlewoman from Colorado is correct.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for making that clarification, and I certainly hope the bureaucrats get the message on that clarification, because we have had a great problem with some excellent schools dealing with that, so I really thank the gentleman.

Again I want to sincerely say, I know how long the gentleman has been working on this and here we are with an hour and it all goes by, but the gentleman really has been a terrific friend of young people trying to ascertain the American dream, and that is what this bill is about. It is making that brass ring, making that hope, making those job skills, making all those things that someone needs available to everyone, and not just people who belong to the lucky sperm club and have a wealthy father.

So I thank the gentleman very much for remembering all Americans as we plan this and opening the door to higher education for all Americans. I think it is very important, and I thank the gentleman very sincerely.

Mr. FORD of Michigan. Mr. Speaker, the gentlewoman from Colorado is overly kind and makes me blush.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding this time to me.

I rise just to point out that those Members who voted to drop the Solomon amendment from this conference report, which would have required the suspension of education assistance for individuals convicted of drug sales or possession, unless they enrolled in a rehabilitation course.

Mr. Speaker, I rise today to express my disgust with my colleagues on the other side of the aisle who voted to strip my amendment from the higher education conference report.

My amendment suspends education assistance for individuals convicted of drug sales or possession. When these individuals obtain rehabilitation, they once again become eligible for educational assistance. This approach encourages individuals with drug problems to seek assistance.

This strategy for fighting drugs has the support of the President, the Secretary of Education, the drug czar, and the overwhelming majority of Americans.

Additionally, all the House Republicans on the conference supported this provision.

The House Democrats on the conference, on the other hand—voting straight party line—moved behind closed doors to strip this commonsense, antidrug provision from the conference report. These Democrats include Mr. FORD, Mr. WILLIAMS, Mr. HAYES, Mr. MILLER, Mr. SAWYER, Mr. PAYNE, Mr. WASHINGTON, Mr. SERRANO, Mrs. MINK, Mr. JEFFERSON, Mr. REED, Mr. ROEMER, and Mr. KILDEE.

In addition to these members of the majority party on the conference, there are several other Democrats who—with this latest action—have spoken out of two sides of their mouth when it comes to issue of drugs.

I am talking about those Democrats on the Education and Labor Committee who only 2 years ago supported an identical Solomon drug amendment to the one which they opposed and voted to strip from this bill during conference.

To refresh your memory, 2 years ago, I offered the same exact drug amendment to the excellence in Education Act. The House overwhelmingly approved the measure by a vote of 315 to 59. Earlier this spring, the House adopted the same amendment to the higher education reauthorization by voice vote.

In both instances, the vote on the amendment was clear-cut. The language and intent was the same. The context was an educational bill both times. Same issue, same language, different vote. What happened? These members who flip-flopped and voted "no" once behind closed doors include Mr. GAYDOS, Mrs. LOWEY, Mrs. UNSOELD, and Mr. ANDREWS.

I want to assure those Members that I intend to offer this amendment again and again because the drug problem will never be solved unless the social and economic penalties attached to drug use are made intolerable. At the very least, drug users must learn that they cannot break the laws of government and still expect to enjoy that government's benefits.

The liberal Members of the House who vote against these cost effective, commonsense solutions to reduce the demand for drugs in this country are going to be held accountable to the voters.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. RAMSTAD], who brought to the attention of the committee the needed improvements in campus security police which have been incorporated into this bill.

□ 1730

Mr. RAMSTAD. I thank the gentleman for yielding this time to me.

Mr. Speaker, this higher education reauthorization conference report contains an important provision requiring colleges and universities to develop sexual assault policies.

This provision was based on legislation I introduced a year ago last May, H.R. 2363, the Campus Sexual Assault Victims' Bill of Rights Act. This measure gathered the strong bipartisan support of 191 cosponsors and received the endorsement of many organizations, including Security on Campus, Inc., the National Victim Center, the Law Enforcement Alliance of America, the National Network for Victims of Sexual Assault, and National Action Against Rape. It also has the endorsement of the United States Student Association, Safe Campuses Now, Inc., Students Together Against Acquaintance Rape, and many other student organizations across the country.

In the course of my work on this bill, I learned of hundreds of tragic cases of campus rape victims who were unable to obtain justice for the crimes against them. Too often, Mr. Speaker, their greatest obstacle was the indifference of the college officials they had sought out for assistance after the attack.

Mr. Speaker, rape is rape. Whether it occurs in a dark alley or an ivory tower, the crime of rape must be dealt with seriously.

Tragically, the incidence of rape on campus has reached epidemic levels. A campus rape is reported every 21 hours. However, because rape is probably the most underreported of all crimes, one study estimates that 6,000 rapes occur each year on campuses across the Nation.

An even darker picture, however, is painted by the most respected study to date, a 1987 National Institute of Mental Health Study conducted by Dr. Mary P. Koss, professor of psychiatry at the University of Arizona Medical School. The NIMH study found that one in four college women is the victim

of rape or attempted rape during her college career. Further, the study found that fewer than 5 percent of rape victims report their assaults to police.

These statistics—and the violence, trauma, and physical pain they represent—are truly shocking. Adding to the problem, a growing number of campus sexual assault victims and their parents have expressed anger and frustration with the way college administrators have handled incidents of sexual assault. Too often, victims are unaware of their legal rights and options and frustrated in exercising their legal rights. Too often, these crimes go completely unreported.

Underreporting occurs for a number of reasons. Some victims feel ashamed and afraid, some are unaware of their legal rights, and some doubt the accused will ever be punished. The result is that while so many women continue to be victimized, only 1 of every 100 campus rapists is ever prosecuted.

While it is tragic enough that these women are physically violated and forced to bear severe emotional scars, many of these women also report they are traumatized a second time when their allegations are mishandled by campus authorities. In fact, less than 40 percent of campus rape allegations result in any institutional penalty.

Mr. Speaker, passage of this legislation will ensure that campus sexual assault survivors are not traumatized this second time. Campus officials can no longer remain indifferent to these traumas—or worse, sweep them under the rug.

I want to extend my deepest thanks to Representative SUSAN MOLINARI, who coauthored this provision as an amendment to H.R. 3553 last March. Her counsel, dedication, and inspiration helped make this provision a reality.

Mr. Speaker, the provision I have been talking about amends the Crime Awareness and Campus Security Act, which requires colleges and universities to report crime statistics and develop a campus security policy. This provision adds the requirement of a campus sexual assault policy.

Each institution of higher education would be required to develop and distribute a statement of policy regarding that institution's sexual assault programs aimed at prevention and education, as well as the procedures to be followed once a sexual assault has occurred.

The provision further requires such policies to set forth general procedures to guide student victims once a sex offense has occurred; namely, who should be contacted; the importance of preserving evidence as may be needed for proof of criminal sexual assault; and to whom the alleged offense should be reported.

Underlying this provision is the belief that victims of campus sexual assault should be permitted to pursue redress for their attack either through the criminal justice system or on-campus disciplinary proceedings. The option to choose one or both of these alternatives should rest with the victim. Students should be informed of these options and receive assistance in notifying campus or local police.

Under this provision, campus sexual assault policies would be required to address the procedures to be followed if the victim chooses to pursue an on-campus disciplinary proceeding. Such policies shall include a clear statement that both parties, the accuser and the accused, are entitled to the same opportunities to have others present during a campus proceeding, and both shall be informed of the outcome of such a proceeding.

The provision also requires higher education institutions to have a procedure regarding notification to students of existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

Further, sexual assault policies would be required to address notification to students of options and available assistance in changing classes and living situations subsequent to an alleged sexual assault, provided such options are reasonably available.

Finally, this provision clarifies that no private right of action is to be conferred upon any person to enforce the provisions of this law.

Never again should a young rape victim be left in the dark about her rights and made to feel like a victim for a second time. With the passage of this bill, it is hoped this will never happen again.

Mr. Speaker, I want to thank also the members of the conference committee, the gentleman from Missouri [Mr. COLEMAN], the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from Michigan [Mr. FORD], the chairman, and other members for their bipartisan support. It shows at least in this instance that the process works.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this process began about 18 months ago. I can only say, without the guidance of BILL FORD we would not have gotten to where we are today. I say that not that we did not have our differences, we did; not that we did not have some problems along the line, we did; but as some of the Members have said today, here is a good example of how legislative process is supposed to work. You have your differences, you try to resolve as many as you possibly can, you go to the floor on votes, you go to the conference committee, and the majority rules.

Not everybody won everything they wanted in this bill on either side, or any philosophy, or any party, or any branch of Government. What we have crafted and come up with is a bill which puts the public interest first; the special interests, the partisan interests, though many, many are secondary and down the line.

I just want to point out to my colleagues that we can still make this system work on other pieces of legislation. It just takes people of good will and good effort on all sides to do that.

So again I thank the President, I thank the Secretary, I thank the Secretary of Education, the gentleman from Michigan [Mr. FORD], the gentleman from Pennsylvania [Mr. GOODLING], and all Members who played such an active role in making this a success story today.

Again, two members of the staff I would especially like to thank by name—on our side, Rose Di Napoli, who has been our lead Republican staff person; and Tom Wolanin, on the Democratic side—who have put in a lot of hours behind the scenes to make sure that this bill has gone forward.

I want to thank them on behalf of all of us.

Mr. FORD of Michigan. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, the conference report on S. 1150, the Education Amendments of 1992, reauthorizes the Higher Education Act of 1965 for 5 years into the future. It authorizes more than $115 billion over that 5 years, and represents the biggest commitment to the future of education made at any one time in the history of this country.

It is a very great pleasure for me to serve as chairman of this committee, with the kind of talent you have seen here on both parties on that committee.

But what we have here today is consistent with a 20-year history of that committee, long before I became chairman, of reaching a bipartisan consensus on good legislation before we brought it to you on the floor and when we brought it to you back from conference.

This legislation passed the House of Representatives 365 to 3. The sister bill to it passed the Senate 93 to 1.

The day it was voted on here, we were operating with a kind of a, in my opinion, a silly threat of a veto coming from unelected, appointed people who intervened between us and the President.

I think I have to say at the outset we would not be here today if it were not for the hard work and conviction of the Republican members of my committee, who were willing, when push came to shove, to go directly to the President and tell them how they felt about the issues that are contained in this legislation and give them their best counsel on what ought to happen.

Immediately after they did that, the signal came to me, "It is time to talk, it is time to get serious about coming to a conclusion."

We settled with each other very quickly and since then, even the Secretary has said that it is a good bill. He says it rather grudgingly in the press release that he sent to you in the last day or two, but it is the first step in all this process where I have not been confronted with a stamping of the foot, "I will hold my breath and tell the President to veto your bill if you don't," sort of attitude from the Department of Education.

I hope we will be able to work better in the future. We can, if they will listen to their own Republicans on my committee. They overlook the fact that the committee is four and five deep with experienced people who understand these programs and are going to hold out for what they believe to be right.

None of this has been easy to reach. As a matter of fact, the final compromise, as it was dubbed by some people in part as a face-saving mechanism, was a compromise that TOM COLEMAN and I reached before we ever came to the floor with this legislation. And they asked us, as a compromise, to return to what TOM and I brought you. We had worked that out after the bill came from the committee and when the committee was still very well split.

The members of both parties on this committee certainly should have demonstrated to all but the most cynical people in this country that there is not in fact gridlock in Washington. If there is a will to get it done, if there is an objective to be obtained and you can come to agreement on where you want to end up, we can in fact roll up our sleeves, slug it out and come up with an answer that is in the best interests of the American people. Every single member of the committee on both sides of the aisle at every stage of the way has been a contributing person and a positive force.

In my extension of remarks, I would like to take the time that I will not take here on the floor, to give credit where credit is due to both Democrats and Republicans for constituent parts of this legislation that they brought to us and insisted upon.

And when you look at the contributions of all these members right down the line to the newest members of the committee, from the very highest in seniority on the committee, you will see that every member of this committee was a contributing player in the final mosaic that came together and now has the approval not only of both Houses of the Congress, I am sure, but the President of the United States as well.

We can work with the President when we put our minds to it—and when we get to him and get past the people who would stand in his way.

I would want to close with one more thing. A phone call came to my office yesterday from the State of Pennsylvania. I do not even know who the fellow was. He talked to a person in my office. He had some questions about how I got along with the ranking member of my committee. I do not know whether he was Democrat or Republican. But he seemed to suggest that he wanted to hear that we were fighting all the time.

Well, I hope that person in Pennsylvania is watching C-SPAN today because I want to say that he deserves to have this said, and I hope this does not hurt you, BILL, with your Republican friends, but I have never worked with a better, more honest gentleman of integrity than BILL GOODLING. TOM COLEMAN is right there with him, but he is not any better.

And BILL GOODLING is the reason that we can reason together on that committee. He is an invaluable member of the committee. And no one of either party should wish him anything but good luck and Godspeed to return to us.

The conference report on S. 1150, the Education Amendment of 1992, reauthorizes the Higher Education Act of 1965 for 5 years. In authorizing more than $115 billion over 5 years, this bill promises the largest single investment in our Nation's history in the education, training, and retraining of the work force for America's future.

In the first year alone, the school year 1993–94, this bill would provide for increased aid to pay for college to more than 10 million students and their parents. We know that this investment in America's future will pay off. A recent study determined that for each dollar of Federal student aid we will recoup more than $4 in increased taxes alone.

The hallmark of this bill is increased loans and grants for students from the hard-pressed working and middle-income families who pay America's bills. In the last decade, these middle-income families, faced with stagnant incomes and soaring college costs, have seen the dream of a college education for their children slipping away.

To meet the needs of these middle-income families the conference report provides that:

All students regardless of family income can borrow up to the maximum Stafford loan;

All parents with no adverse credit history will be able to borrow up to the total college cost minus other financial aid through the Parent Loans to Undergraduate Students [PLUS] program.

The equity in a family's home or farm will no longer be considered in determining eligibility for financial aid;

The Stafford loan limits would be substantially increased; and

The maximum Pell grant award will be increased from $2,400 to $3,700 for the 1993–94 school year.

The conference report also addresses other important issues. Nearly 100 provisions in the bill strengthen controls on schools and colleges to end waste and abuse and to minimize loan defaults. This bill ensures that an increased investment in student aid will be well spent.

The conference report dramatically simplifies the often bewildering complexity of the current student aid forms and delivery system.

Nontraditional students—those who are older, independent of their parents, working or attending school part time—are now the majority in postsecondary education. S. 1150 revises the programs to more effectively serve these students. It is important to note that fully one-third of all student aid goes to students for direct job training and retraining in occupational and vocational courses. That makes the Higher Education Act the Federal Government's largest job training program.

Mr. Speaker, I would like to take this opportunity to make some remarks clarifying several provisions in the conference report.

First, a number of associations representing institutions of higher education have expressed concerns to me and other conferees with respect to the impact of some of the changes in need analysis. It is their view that these changes will result in a significant number of independent students, and dependent students who work, not being eligible for the same amount of aid they are now receiving in the Pell Grant Program if the maximum award remains at $2,400. The Congressional Budget Office does not agree with their analysis, and these effects were certainly not intended by the conferees. If the changes in need analysis are proven to have the unintended consequences which they fear, we will certainly take expeditious remedial action.

Second, the conference report contains an important new Direct Loan Demonstration Program. Under this program loan capital will be provided directly by the Federal Government rather than through private lenders. Like the current guaranteed student loans, the new direct loans will be funded as an entitlement under the mandatory part of the budget and there will be no limit on the amount of capital that will be available to the institutions participating in the demonstration. Capital availability will be determined by student and parent eligibility, just as in the guaranteed student loan program. With respect to the allocation of capital to institutions, I would expect the demonstration program to operate like the Federal Pell Grant Program, with institutions able to adjust their requests for funds according to actual student eligibility throughout the year.

On behalf of the Government, institutions will determine student and parent eligibility, prepare necessary promissory notes and allocate funds to students following procedures similar to those used in the Federal Perkins Loan Program. As under the Federal Perkins Loan Program, an institution will be liable for determining student eligibility, executing promissory notes and disbursing funds to borrowers. However, unlike the current Federal Perkins Loan Program, the institution will not be liable for a Federal direct loan during the repayment period if the promissory note was properly executed.

Profitmaking firms, nonprofit organizations, State entities, guarantee agencies and institutions of higher education will be eligible to apply for servicing and collection contracts. I would expect the Secretary to take advantage of the existing expertise of those involved in student loan servicing in awarding these contracts. In addition, I would expect the Secretary to permit, to the extent practicable, each institution to select a contractor which it believes will best serve the institution and its students.

Third, the conference report requires that accreditors which accredit institutions of higher education for purposes of title IV eligibility be separate and independent both administratively and financially of any related, associated or affiliated professional association or membership organization. It was not intended that this requirement apply to accrediting agencies which accredit programs for the purpose of establishing the eligibility of these programs to participate in other nontitle IV programs administered by the Department of Education or other Federal agencies. Unfortunately, through a drafting error this requirement was applied to both types of accrediting bodies. I will seek to correct this error at our earliest opportunity.

Finally, let me make it clear that this bill does not change current law with respect to the dental residents' eligibility for in-school loan deferment. Among those in postgraduate dental residencies, there are: Persons who pay tuition and receive a stipend; persons who pay tuition but receive no stipend; persons who pay no tuition but receive only a nominal stipend; and persons who neither pay tuition nor receive a stipend.

All of these dental residents would be considered to be students for purposes of eligibility for in-school deferment of their student loans if the institution at which they are receiving training considers them to be students.

Mr. Speaker, an equal opportunity to obtain a college education regardless of the economic circumstances of an individual or a family has long been the dream and the goal of Federal policy. In signing the Higher Education Act of 1965, President Johnson said that this law "means that a high school senior anywhere in this great land of ours can apply to any college or any university in any of the 50 States and not be turned away because his family is poor." In his higher education message to Congress in 1970, President Nixon said, "No qualified student who wants to go to college should be barred by lack of money." This bill accelerates our advance toward the goal of equal educational opportunity.

Let me remark on the role of the administration in producing this bill. The administration and all the President's men have been whining and carping about this bill and resisting our efforts to aid middle-income families since our hearings began over a year ago.

At our May 8 hearing last year, Secretary of Education Alexander proposed on behalf of the administration to narrow eligibility for the maximum Pell grant to those with incomes below $10,000. This proposal would have excluded 400,000 currently eligible students from the program. Meanwhile our efforts pointed in the opposite direction, expanding the program to serve students from middle-income families.

Last October after subcommittee markup, the Secretary sent a letter threatening to recommend a veto of this bill because of the Pell grant entitlement and the replacement of the guaranteed student loan program by a direct loan program.

As the bill was considered by the House this March, the statement of administration policy indicated that the President's senior advisors would recommend a veto, despite the fact that the Pell grant entitlement had been dropped and the direct loan program was reduced to a demonstration and a study. Now the first reason for the veto threat was the extension of financial assistance to students from middle-income families.

This May as the bill went to conference the veto threat was renewed this time because the direct loan demonstration program was too big, although the administration refused to tell us how big was too big and what size would be acceptable to them.

As the conference meeting concluded the Secretary of Education issued a particularly ill-tempered and petulant veto threat again ignoring the important benefits in the bill for students from middle-income families and narrowly focusing on the size of the direct loan demonstration program.

Now at last, after having stood in the way for the entire process, the administration has concluded that this is "a good bill" that the President should sign.

The unelected political appointees purporting to speak for the Bush administration have been an obstacle around which we have had to navigate and an anchor that we have been dragging through this entire process, and I think everyone should know it.

In concluding, I would like to pay special tribute to the many Members, particularly the members of the Education and Labor Committee, who introduced legislation that has been incorporated into S. 1150. These bills, incorporating many innovative and thoughtful ideas, were essential ingredients in the development of S. 1150. Following my statement I am including in the RECORD a list of the bills and their sponsors which were drawn upon for contributions to S. 1150.

I urge all of my colleagues to support the conference report.

BILLS INCORPORATED IN S. 1150

Andrews, Robert—H.R. 3211 establishing a direct loan program incorporated as a demonstration program in Part D of Title IV.

Ballenger, Cass—H.R. 2943 requiring an evaluation by the Secretary of Education of programs which offer guarantees of assistance to elementary and secondary school students included in Title XIV.

Barrett, Bill—H.R. 3411 to preclude the consideration of nonliquid assets in the determination of need for Federal student financial assistance included in Title IV.

Clay, Bill—H.R. 1503 to provide financing for capital facilities at Historically Black Colleges and Universities included in Title VII.

Cunningham, Duke—H.R. 3957, "The Higher Education Access Act," to provide assistance to needy students to cover the cost of fees associated with taking Advanced Placement examinations included in Title XV.

Frank, Barney—H.R. 2171 to require notice to borrower by both seller and new holder when a loan is sold included in Title IV.

Gaydos, Joseph—H.R. 3129 to clarify the difference between study by telecommunications and correspondence incorporated in Title IV.

Goodling, William—H.R. 2495, "The Teacher Leadership Act of 1991," contributed to the development of Title V particularly with respect to the Mini-Corps, job banks and business partnerships.

H.R. 2627 (by request), Administration's Higher Education Act reauthorization proposal, contributed a variety of proposals particularly with respect to student aid, program integrity and Title III.

H.R. 2716, "Integrity in Higher Education Act of 1991," substantially included in Part H of Title IV, "Program Integrity TRIAD."

H.R. 2852 to encourage articulation between two- and four-year postsecondary education programs included in Title I.

Gordon, Bart—H.R. 3239 to improve the integrity of the student aid programs. Most of the provisions of this comprehensive integrity legislation are included in S. 1150.

H.R. 3372 to create a comprehensive student aid data system included in Title IV.

Gunderson, Steve—H.R. 3241, "Nontraditional Student Opportunity Act," substantially incorporated into Title IV.

H.R. 3426 to improve access to postsecondary education for students with disabilities substantially incorporated into Title IV and other programs.

Hayes, Charles—H.R. 3362 to establish a program for minority international service professional development included in Title VI.

Henry, Paul—H.R. 2433, "The National College Athletics Accountability Act," to require institutional reporting of expenditures for college athletics included in Title IV.

Horton, Frank—H.R. 3437 to require a study of the use of Pell Grants by prisoners included in Title XIV.

Jefferson, William—H.R. 3032 revises Title III, provides for increases in the Pell Grant maximum and a Pell Grant entitlement, modifies the Perkins program, need analysis and general provisions, and includes revisions to Titles II, V, VI and IX substantially incorporated into Titles II, III, IV, V, VI and IX.

H.R. 3244 revises Title III included in Title III.

Kildee, Dale—H.R. 3179 amends the cooperative education programs substantially included in Title VIII.

H.R. 3181 amends the college library programs included in Title II.

H.R. 3455, "Tribal Development Student Assistance Act," and H.R. 3456 included in Title XIII.

Klug, Scott—H.R. 2952, provides Perkins loan forgiveness for providers of services to individuals with disabilities included in Title IV.

H.R. 3182 amends Title VII included in Title VII.

Lipinski, William—H.R. 3136 to provide for evaluation of the TRIO programs included in Title IV.

Lowey, Nita—H.R. 2065 requires institutions of higher education to disclose foreign gifts included in Title XII.

H.R. 2142 expands focus of programs under the Higher Education Act to promote access to the sciences for women and minorities included in part in S. 1150.

H.R. 2350, "National Liberty Scholarship and Partnership Act of 1991," incorporated in Subpart 2 of Part A of Title IV.

Machtley, Ronald—H.R. 1141, "Education Partnerships Act," to permit students to use College Work Study funds for mentoring activities included in Title IV.

Miller, George—H.R. 907 allows the use of state assessment system in the determination of eligibility for Title IV of ability-to-benefit students incorporated in Title IV.

Mink, Patsy—H.R. 2300 provides for cancellation of Perkins loans for borrowers entering nursing included in Title IV.

H.R. 2331 provides Pell Grant eligibility for less-than-half-time students incorporated in Title IV.

Molinari, Susan—H.R. 3261 authorizes prefreshman summer outreach programs for at-risk youth incorporated in Subpart 2 of Part A of Title IV.

Owens, Major—H.R. 3189 provides for support for minority students and faculty mem-

bers to complete doctoral studies included as Part E of Title IX.

Panetta, Leon—H.R. 1154, "Global Education Opportunities Act," to facilitate the participation of students in programs of study abroad included in Title IV.

Payne, Donald—H.R. 3364 revises several programs to expand postsecondary opportunities for low-income and minority students substantially included in S. 1150.

Perkins, Carl—H.R. 3632, "Work Colleges Act," to provide increased College Work Study support for work colleges included in Title IV.

Reed, Jack—H.R. 3078 removes home equity from the determination of expected family contribution included in Title IV.

H.R. 3274 and H.R. 3275 alternative approaches for excluding from need analysis assets in accounts which have been frozen included in Title IV.

H.R. 3329 amends the TRIO programs to encourage more efficient and effective administration and to strengthen early intervention services for disadvantaged youth included in Subpart 2 of Part A of Title IV.

Richardson, Bill—H.R. 2009, "Higher Education Tribal Grant Authorization Act," and H.R. 2821, "Critical Needs for Tribal Development Act," to improve the postsecondary educational opportunities of Native Americans incorporated in Title XIII.

Roe, Robert—H.R. 190 to remove home equity from the calculation of expected family contribution included in Title IV.

Roemer, Tim—H.R. 3279 increases Pell Grant maximum and the allowance for child care in need analysis included in Title IV.

H.R. 3396 amends the Fund for the Improvement of Postsecondary Education included in Title X.

Roukema, Marge—H.R. 1117, "Student Financial Aid Improvement Act of 1991," revises independent student definition, prevents double counting of student income, excludes home, family farm and small business assets from need analysis, provides for overaward tolerance in College Work Study, restricts eligibility for Title IV assistance of parents of a dependent student and reduces amount of dependent student's contribution from income substantially incorporated in Title IV.

H.R. 1118, "Student Loan Default Prevention Act of 1991," includes provisions for exchange of information between guaranty agencies and state licensing boards, increased information from borrowers, improved exit interviews, restrictions on commissioned recruiters, academic year definition and application of tuition refunds to repayment of Federal funds substantially included in Title IV.

Sawyer, Tom—H.R. 1524, "Student Counseling and Assistance Network Act of 1991," incorporated in Subpart 2 of Part A of Title IV.

H.R. 2531 provides for Urban Community Service and Urban College, University, and School Partnerships programs included in Title XI.

Serrano, José—H.R. 2938 establishes a Teacher Opportunity Corps to enable paraprofessionals working in schools to become teachers incorporated in Title V.

Weiss, Ted—H.R. 3334, "Perkins Loan Improvement Act," to allow cancellation for teachers who teach in any Chapter 1 school included in Title IV.

Williams, Pat—H.R. 2561, "Middle-Income Student Assistance Act of 1991," expands eligibility for student loans, provides for an assurance of Pell Grant funding and excludes home and family farm equity from consideration in need analysis included in Title IV.

H.R. 2597 authorizes support for the National Board for Professional Teaching Standards included in Title V.

H.R. 2912 authorizes support to institutions of higher education for programs to recruit and retain students preparing to become teachers largely incorporated in Title V.

Wise, Robert—H.R. 4260 increases maximum Pell funding, excludes home, farm and small business equity and establishes single need analysis system substantially included in Title IV.

Mr. JEFFERSON. Mr. Speaker, I want to join my colleagues in commending you and your staff for the outstanding work you have done on the reauthorization of the Higher Education Act. I am in strong support of the conference report, S. 1150.

One of the major barriers to participation in postsecondary education has been the rising cost. Over the last 10 years, the cost of a college education has doubled, outpacing the rate of inflation. At the same time, most family's incomes have remained stagnant, and their purchasing power has eroded. One important change in the legislation to address this trend is that the formula for determining how much a student or a family is expected to contribute toward higher education has been made more realistic, in particular, by excluding home and farm equity from consideration. The result is that middle-income students are brought back into eligibility for Federal student aid programs.

I am also pleased to note that the higher education conference report contains several provisions which I authored that will strengthen graduate education at historically black colleges and universities.

Mr. Speaker, since its establishment in 1965, the Higher Education Act has been the primary vehicle for expanding access to postsecondary education for all Americans, and I believe that the amendments made to the legislation under your leadership further the goal of keeping the doors of the Nation's colleges and universities open to low- and middle-income people.

Mr. DURBIN. Mr. Speaker, I rise today to commend the Education and Labor Committee for their fine work on the Higher Education Act, S. 1150. I believe this measure is an important step toward improving middle-class access to postsecondary education.

I would particularly like to express my support for the inclusion of the work-college provision in this bill. Work-colleges such as Blackburn College in my own district, offer students a unique program of education and community service. Blackburn's program helps students gain valuable work experience and take an active role in their community while furthering their education. The work-college provision of this bill is intended to recognize, encourage, and promote the use of such comprehensive work-learning programs.

There are now five schools operating under the work-college model but language contained in S. 1150 allows for the addition of other institutions that want to adopt the work-college approach.

Again, I support the higher education bill and the inclusion of the work-college provision.

Mr. DOWNEY. Mr. Speaker, I rise in support of the conference report. Over the past decade, middle-class students have been squeezed out of most Federal higher education aid programs. At the same time, the cost of attending college has risen dramatically, and sending children to college has become prohibitively expensive for too many families. For many people, the decision on what college to attend is not based entirely on academic preference. Cost has become as significant a factor in their decision as anything else. It is intolerable that qualified students are being denied the best possible education simply because they cannot afford it.

I have heard from many concerned families from my district on Long Island. They have written to me over the past several months pleading that Congress do something to help them send their children to college. This bill responds to their need.

I strongly support the provision in the bill which excludes the equity a family has in its home from determining how much they are expected to contribute toward higher education. This will enable a significant number of families in my district to be eligible for Federal loans. It will also allow more families to be eligible for Pell grants. Plain and simple, removing home equity from the needs formula is a much more realistic way of determining a family's ability to contribute toward higher education.

Another provision which directly assists my constituents is the provision which makes everyone eligible to borrow the maximum Stafford loan, regardless of family income. Students from a family of four attending an average-priced college with an income up to $70,000 will be eligible to have the Federal Government pay the interest on at least part of their Stafford loan.

Mr. Speaker, this legislation reaches out to people who need help. The future of our Nation rests on our ability to have the brightest, most able work force in the world. Providing access to higher education is critical if we are going to meet that goal.

Mr. SERRANO. Mr. Speaker, I rise in support of the Higher Education Act amendments of 1992, H.R. 3553. I am proud to have been involved in the crafting of this important legislation that will determine how we prepare our youth for the future.

The Los Angeles, and New York riots sent us an unmistakable message that our system is failing millions of young Americans. All across the Nation citizens are concerned. They recognize the need and importance of a quality education.

This bill responds to the urgent needs and demands of our diverse student population. Included in this measure is a provision to create a new authorizing $45 million program in part A of title III for Hispanic-serving institutions.

I am especially gratified that an innovative program which I authored—the new teaching careers, which will aid paraprofessionals achieve their teaching certificates or licenses—has been authorized at $30 million in fiscal year 1993.

Mr. Speaker, I am disappointed that we were not successful in our attempts to make the Pell grant an entitlement program this Congress. However, increases were made in the amounts of Federal student financial aid available to all students and families. Con-

ferees also agreed to raise the Pell grant award to $3,700—and allow a summer Pell award to cover summer courses required for matriculation.

Additionally, I am still concerned about language in the bill that would eliminate eligibility for title IV funds for any institution in which more than 85 percent of the institution's revenues are derived from Federal funds. Many of my constituents would be unnecessarily penalized due to their inability to fund their own education. I am worried that we may restrict an individuals ability to choose what may be their best option for a postsecondary education.

I am pleased that this conference report incorporates several recommendations from the Hispanic Caucus, including the expansion of early intervention programs, and the national survey of factors associated with participation. Such a survey will provide a biennial report on academic participation of disadvantaged, minority, and language-minority students. As many educators are aware, the lack of data on Latinos and other minority students is a significant barrier to developing appropriate educational remedies.

The higher education amendments of 1992 reprioritize this Nation's spending. The development of our human resources should be a priority because it will guarantee our future ability to compete in the global market. Only by enhancing the educational attainment of our competitiveness in the world market can we strengthen the state of our economy. I urge my colleagues to vote for this important legislation.

Mr. OWENS of New York. Mr. Speaker, I rise in support of the conference report offered here today to S. 1150. While the conference report does not contain everything I and my constituents would have liked to see in the reauthorization of the Higher Education Act, it is a good bill and will help the students of this country achieve their goals to obtain a quality education while providing additional safeguards to protect the financial interests of the taxpayers of our country.

For many, if not most, young Americans today, higher education will be an essential component in their quest to realize the American dream—or just to lead a happy and successful life. For decades now, higher education has been important in helping people enter the middle class from the lower class and has been increasingly important in opening up new career options for women and minorities.

This conference report is good for middle-income students and their families. It removes home or farm equity from calculations of family need thus saving the one permanent resource many middle-class families have. It also increases maximum income to $42,000 for a family of four to eliminate the pitfall an increasing number of middle-class families found themselves in. Too many middle-class families trying to raise the funds to put their children through college found that they earned too much to qualify for financial aid, but did not have the resources to be able to pay for college without such help. Too many of these students had to delay or deny their dreams of a quality postsecondary education.

For lower-income families the bill simplifies the paperwork needed to be completed in order for students to qualify for financial aid, extends eligibility for Pell grants to less-than-half-time students, and increases the maximum Pell grant to $3,700. Unfortunately, this bill does not include a provision I strongly supported when the bill was originally drafted—a provision to make the Pell Grant Program an entitlement.

I felt that making the Pell Grant Program an entitlement was one of the single most important changes we could have—and should have—made in our higher education statutes. Over the last few decades the loan-grant imbalance has grown drastically. Students now get far less out of their grant dollars than they did 20 years ago. Even the poorest students must take out thousands of dollars in loans in order to afford a quality education. When the financial aid programs were originally created the intent was to provide grants to the poorer students and give middle-income students access to federally guaranteed loans to help them obtain the extra money they needed to pay for their education. Now, however, even the poorest students leave college owing $10,000 or more for their education—and to many students entering college the prospect of this level of indebtedness is prohibitive.

Many of us wanted to return the program to its original goals; however, we were defeated in this attempt by those in this Congress who are not interested in fairness, access, and success for low-income students.

I was also very disappointed that we were not able to include in this bill a new direct loan program to replace the current system of financing student loans that enables the banking industry to run away with Government funds. A direct loan program has the potential to save the Government billions of dollars—however, the banking industry has a chokehold on this Congress on several issues, and the Guaranteed Student Loan Program is one of those issues. I was, however, glad to see that this conference report changes the way interest payments are made to the banks that participate in the program to make the subsidy more flexible along with the flexibility of interest rates.

Despite these disappointments, this conference report will help the thousands of students who are from working class or middle-class families who have been wondering in recent years if they would be able to afford to go to college like they had dreamed. All students will now be able to borrow money for college regardless of family income; however, eligibility for in-school subsidization will still be based on financial need. Loan limits will be raised so that more undergraduate and especially graduate students will be able to pay fully for their education.

The conference report helps older, nontraditional students by increasing loan limits, extending Pell grant eligibility to less-than-half-time students and increasing support for child care expenses. With this increased assistance, more older, independent people will be able to attend school while still supporting their families, thus enabling them to get better paying jobs after completing their education.

The conference report also improves early outreach and intervention programs to encourage students to succeed in elementary and secondary school so that they can make the most of postsecondary education. It strengthens TRIO programs and creates a new Federal-State partnership to encourage collaboration between school districts, institutions of higher education, businesses, and community organizations to provide early intervention services to low-income and at-risk students. It authorizes $200 million to provide such services as tutoring, advising, mentoring, and parental involvement activities. It will also establish a need-based financial assistance program for students who participate in these programs. These programs will help establish a stronger pipeline through students' early years to have greater access to higher education.

The conference report also authorizes $65 million in fiscal year 1993 for college and university library programs and includes increased fellowship funds to increase access to graduate programs for women and minority students.

Mr. Speaker, I strongly support this conference report and urge my colleagues to support it as well. I also hope that in future years, we will be able to accomplish the goals we were not able to accomplish this year. Our low-income students need a guarantee that their Pell grant funds will be available to them—and the only way to do that is to make the program an entitlement. And the taxpayers need this body to do its best to reduce costs in the student loan program—and the way to accomplish that goal is to cut the banks out of the program and make it truly a people's—and students'—program.

Again, I urge my colleagues to vote for this conference report. The students we help to obtain a higher education through this bill will be the government, business, and community leaders of tomorrow that will help this country remain strong. Support our students. Support the conference report.

Mr. POSHARD. Mr. Speaker, I am pleased to rise in strong support of the Higher Education Act reauthorization conference report. Education is the key to our economic future and our future as a civilized society. This bill makes an important investment toward those ends. Every American who wishes to pursue their goals in life will now be better able to take advantage of the educational opportunities as a result of this bill.

This conference report is worthy of our support for a number of reasons. It makes all students, regardless of their income, able to borrow up to the maximum Stafford loan, with eligibility for the in-school interest subsidy based on financial need. All parents, regardless of income with no adverse credit history, will be able to borrow up to the total college cost minus other financial aid through the PLUS program. Approximately 3 million families of students will be able to borrow increased amounts. A family's home and farm equity will not be considered in determining a student's eligibility for assistance and increases the maximum Pell grant award to $3,700 making a student from a family of four with an income of $42,000 eligible for the minimum Pell grant.

The report also makes several improvements in the effectiveness of student aid, simplifying the student aid application process and delivery system and addresses the needs of nontraditional students.

Speaking as a Member from a rural area and a State where we depend upon the pres-

ence of institutions of higher education to provide economic development and educational opportunities, I am well aware of the importance of this legislation. Our ability to compete in a changing international marketplace will depend upon our commitment to provide the next generation with a quality education. I commend the authors of this legislation for their wise course of action and lend my strong support to this bill.

Mr. ORTIZ. Mr. Speaker, I rise in support of the conference agreement on S. 1150, reauthorization of the Higher Education Act. I commend Congressman WILLIAM D. FORD, chairman of the Education and Labor Committee, for his leadership in crafting this important legislation.

As chairman of the congressional Hispanic caucus, I am particularly pleased that S. 1150 contains a number of provisions to increase the number of Hispanic, minority, and other low-income students in higher education. Several of these provisions were developed by the congressional Hispanic caucus as part of H.R. 3098, the Hispanic Access to Higher Education Act of 1991.

Among the important programs established in S. 1150 for Hispanic students are an early intervention program to reach out to students before they are at risk of dropping out, several teacher training programs designed to increase the number of qualified, minority teachers, and a new study to increase our understanding of why Hispanics, minorities, and other low-income individuals participate or succeed in higher education.

In addition to these programs, S. 1150 also contains a new $45 million institutional development program for Hispanic serving institutions [HSI's]. This program will help to ensure that our system of higher education meets the unique needs of the Nation's large and growing Hispanic community.

In sum, Mr. Speaker, S. 1150 will help to ensure that Hispanics and all Americans have an equal opportunity to benefit from the Nation's system of higher education.

Mr. FAZIO. Mr. Speaker, I rise in support of S. 1150, the conference report for the Higher Education Amendments of 1992. If this bill is enacted, students from working families—for whom the right to a college education has been slowly but surely drifting out of reach—will have better access to this part of the American dream.

The Higher Education Act is the backbone of Federal aid to higher education. It is the bill that enables America's students to pursue their education past high school. Half of all of the students at the University of California receive some form of financial support. And half of this support comes from Federal funding, to the tune of $214 million in the 1989–90 academic year alone. At the California State University [CSU], nearly 200,000 students applied for financial aid in 1990–91, a 17-percent increase over the previous year, and Federal financial aid accounted for 76 percent of the assistance that these CSU students received.

Unfortunately, there has been a decline in Federal student aid over the last decade. This decline has been compounded by the fact that college tuitions have risen four times faster than the average family's disposable income during the same period. The administration's current student aid policies allow only the children of the very wealthy to go to any college they want, and limit Federal financial aid to only the poorest of the poor. The right to a college education has become more of a dream, and less of a reality, for the children of hard-working American families.

But, the children of hard-working middle-income families should have the same chance to fulfill their dreams as children from wealthy families. S. 1150 will extend that opportunity to these children. S. 1150 is the bill that reauthorizes and enhances the Higher Education Act, bringing Federal loans and grants for college and trade school degrees within closer reach of students from our middle-income families.

Forty-five percent of the students at the University of California depend on the Government's guaranteed loan program to help finance their education costs. Twenty thousand out of 1.5 million students at California community colleges received guaranteed student loans in 1990–91. S. 1150 will enable all students, regardless of income, to borrow up to the maximum limit allowed in this program. It will also permit more middle-income students to borrow more money each year. If it becomes law, 1.1 million current borrowers will be able to borrow more money for their education. And 1.4 million new students will be eligible to borrow—with 1.2 million of these students from families with incomes over $35,000.

Depending upon their financial need, some students will be eligible for the in-school interest subsidy—the Government will pay the interest on their loans for as long as they are in school. For example, a student from a family of four, attending an average priced college, with a family income up to $70,000, will be eligible to have the Federal Government pay the interest on at least part of his or her Government loan.

The limits on guaranteed loans have also been raised—from $2,625 to $3,400 for full-time second year students, from $4,000 to $5,500 for full-time undergraduate students, who have finished 2 years, and from $7,500 to $8,500 for full-time graduate students.

There are also no limits at all on PLUS loans—loans to parents for the education of their dependent children. This means that parents with good credit histories can now borrow what they need for their children's education, minus other financial aid, regardless of their income. As a result, about 3 million families with an average income of $44,000 will be able to borrow increased amounts.

Borrowing limits are also increased for the Perkins loan program—loans for low income students. Students who participate in this program are eligible to have their loans forgiven if they enter certain careers—for example, teaching in schools in which 30 percent of the students' families are at or below the poverty level; teaching disabled infants, toddlers or children; or working for family service agencies that serve high-risk children.

Approximately 70 percent of all Pell grants—the primary source of Federal student aid for low-income students—go to families with annual incomes below $15,000. But, if S. 1150 becomes law, it is estimated that students from families of four with incomes up to $42,000 would be eligible for the minimum Pell grant. Additionally, the authorized maximum grant would jump from $2,400 to $3,700 during the first year, and this would increase to $4,500 over the next 5 years. Another 1 million students would be eligible for Pell grants, and the 4 million students currently receiving Pell grants would be eligible for increased awards. California has historically received 7.5 percent of total Pell grant funds. Ninety-seven thousand California community college students received Pell grants in 1990–91.

S. 1150 also introduces a new way of determining need—a different means of calculating how much each family should contribute toward educational expenses—opening the door even wider for middle-income parents. Equity in the family home or farm is no longer included in the needs assessment, and there is an educational savings protection allowance that will aid families who have been able to plan ahead and save for their children's education.

The bill streamlines the whole application process for students so that they only have to fill out one form for all their Federal applications. And students may also just update their applications annually, instead of filling out an entire new form each year.

S. 1150 also reaches out to nontraditional students—who are usually older, working, and returning to school for a degree—by making less-than-half-time students eligible for grants, by including a child care allowance when determining grant eligibility, and by not limiting a student's length of study, but instead allowing students to remain eligible for grants so long as they are making satisfactory progress.

S. 1150 also establishes a demonstration program for direct loans to students, eliminating banks and other lending institutions and permitting the schools themselves to originate loans. It is anticipated that this pilot program of direct lending will save the Government $47 million over the next 5 years.

S. 1150 contains provisions that will end fraud, waste, and abuse in the system. For example, S. 1150 now requires that State agencies review schools that wish to participate in the Federal program. And, in an effort to reduce loan defaults, it introduces graduated repayment schedules for borrowers.

What adds to the importance of the bill is the fact that, although loans and grants for students and families are the heart of S. 1150, this bill is much more far reaching. S. 1150 supports college work study programs involving part-time work for graduate and undergraduate students. It also supports teacher training and recruitment through programs that recruit and train badly needed teachers for elementary and secondary schools. Examples are the new national teacher academies in English, math, science, history, and foreign language, and the career and educational opportunities for support workers in elementary and secondary schools who want to become certified as teachers.

S. 1150 also supports sexual offense education and prevention grants on campus. It maintains partnerships—between school districts, institutes of higher education, businesses, and community organizations—to provide tutoring, mentoring, and parental involve-

ment activities that will encourage students to go to college. S. 1150's programs also sustain and strengthen historically black colleges and universities, as well as college and university libraries.

Every American child should be allowed to pursue a higher education. If this is indeed prominent on our list of priorities, we cannot permit our Nation's educational programs to be jeopardized by inadequate funding. S. 1150 is the tool that will help us to meet our responsibility to provide our children with basic access to the variety of postsecondary education options that this country has to offer.

Mr. Speaker, I once again commend Chairman FORD and the members and staff of the House Education and Labor Committee, as well as the Subcommittee on Postsecondary Education and their colleagues in the Senate, for their ongoing work in developing and formulating the Higher Education Amendments of 1992. Moreover, I urge my colleagues on both sides of the aisle to support this important piece of legislation.

Mr. GEJDENSON. Mr. Speaker, our higher education system is the most extensive in the world, preparing students for a wide variety of career paths. However, it is not without its faults. The current student loan system has some serious problems that need to be addressed, one being that over $1 billion is wasted annually on interest subsidies to banks offering student loans. Additionally, those students lucky enough to get loans find themselves strapped with huge loan payments after graduation. The debt burdens and difficult repayment schedules these borrowers face are often unbearable and the major reason our default rate continues to skyrocket.

The direct lending pilot program, included in the reauthorization package of the Higher Education Act, is a sensible solution to the problems plaguing current financial aid programs. The direct lending provisions of the legislation authorize the Secretary of Education to pick a combination of schools which collectively lent $500 million in student loans last year, to start direct-lending programs. Some 35 percent of the schools in the pilot program would be able to offer students the opportunity to pay back their loans on an income-contingent basis.

Removing banks from the student loan system will drastically curb waste in our financial aid programs. Currently, student loans are financed by using private capital, for which the Government is charged market interest rates. With this pilot program, however, students will receive loans directly from the Government and costly interest subsidies will be eliminated.

Since 35 percent of the schools involved in the pilot program will offer students an income-contingent repayment schedule, borrowers will find that their loan payments are more reasonable. This progressive system guarantees that borrowers at all income levels will not pay more per month than they can afford. It also means that college graduates taking lower paying jobs in teaching or social services can make smaller loan payments at lower interest rates for a longer time than someone who takes a high-paying job.

Another major advantage of the income-contingent repayment schedule is that loan defaults, which last year cost the taxpayers over $3.6 billion, will be reduced significantly. Since borrowers will only pay a manageable percentage of their income, there will be no need to default.

As you may know, I have been a long-time supporter of direct lending and income-contingent repayment schedules. These innovative programs save hard-earned taxpayer dollars and make the current financial aid system more efficient. Additionally, they give students trying to finance their educations a better deal.

Not only will the direct-lending portion of the pilot program give every student, regardless of family income, the chance to finance their college education, but the income-contingent repayment provisions will reduce the number of defaults.

While I would like to see a more comprehensive income-contingent loan program implemented, I believe that this proposal is a step in the right direction. I urge my colleagues to support the reauthorization package and give this important loan program the chance it deserves.

Mr. PICKETT. Mr. Speaker, I rise in support of the conference report for S. 1150, the Higher Education Act Amendments of 1992.

At a time when over 7 percent of our people are out of work, and our basic industries are struggling to compete effectively with those in Japan, the European Economic Community, and much of the Third World, the Higher Education Act represents a wise investment in our economic future. It has helped millions of Americans develop their full potential by giving them a chance to attend college or vocational school. Without a doubt, the Higher Education Act is one of the best programs ever devised by Congress to help build a highly qualified work force and promote economic growth.

The Higher Education Act Amendments of 1992 will greatly improve upon current law by expanding the availability of Federal student financial aid to students from middle-class families. During the 1980's, the cost of a college education increased far more rapidly than either average wages or the general rate of inflation, making it difficult—and in some cases impossible—for middle-income families to keep their children in school. The conference report recognizes this.

I am particularly pleased that this conference report contains language to establish early intervention programs and scholarships to enable disadvantaged, at-risk students to enter and complete courses of study on the postsecondary level. The legislation would establish a Federal-State partnership using the State Student Incentive Grant Program [SSIG] as a model, to fund scholarships for students who successfully complete precollegiate early intervention programs.

In implementing this program, the legislation calls upon the Secretary of Education to "encourage the State to ensure that the tuition assistance provided pursuant to this section is available to an eligible student for use at any eligible institution." I strongly urge the Secretary to take this instruction very seriously and ensure that States enable students to participate in any and all tuition assistance programs funded by this legislation, should they choose to attend either independent or public 4-year colleges and universities.

Public and private 4-year colleges have shown that they are equally capable of educating poor and disadvantaged students. Those participating in the new early intervention scholarship programs will have overcome great odds and should be permitted to study at the institution of higher education which they believe offers them the greatest chance of fulfilling their goals. Poor and disadvantaged students should have a choice.

I also commend my House and Senate colleagues for their efforts to further combat fraud and abuse in the Federal student loan programs. Fraud and abuse cannot and will not be tolerated. In our efforts to eliminate fraud and abuse, however, we should be careful not to hinder the efforts of those career colleges which are striving to provide quality education programs to students who choose not to attend a traditional 2- or 4-year college or university.

I have had the opportunity to visit several career colleges in my district and to talk with the students who attend these institutions. Many are the nontraditional students which this conference report strives to aid. Many come from disadvantaged backgrounds and are trying to avoid welfare dependency. Others are young people who want specialized training that will provide them immediate access into the work force. In my district, many of these students are, and will be, individuals affected by the military drawdown who will need retraining before they can enter the civilian work force. I am familiar with many career colleges which have been quite successful in preparing students for immediate work, and I believe that this is the kind of career preparation that we should encourage rather than discourage.

I am concerned that the language contained in this legislation which eliminates eligibility for title IV funds for any institution which derives more than 85 percent of its revenues from Federal funds, may result in restricting a student's ability to attend the postsecondary institution of his or her choice. I would urge my colleagues to be careful in enacting legislation which restricts the ability of career colleges to participate in the Federal student aid programs when these schools serve a large number of students who need financial assistance the most.

I commend Chairman FORD and the members of the conference committee for their efforts and I urge my colleagues to support the conference report.

Mr. GREEN of New York. Mr. Speaker, I rise in support of the conference report on S.1150, the Higher Education Reauthorization, which is the main source of Federal assistance for our Nation's higher education programs. However, while I support the bill, I should like to take this opportunity to object to one of the revisions to current law made by this legislation. Like the House adopted bill, the conference report discriminates against renter households. Under this new legislation the homeowner family will not have to include the value of its home in the financial aid application but the renter household that has $100,000 in savings will have to include that amount. The 1986 tax bill already provided a break to homeowners by allowing them to deduct second mortgages for other purposes, including education, so why are we enacting a provision that further discriminates against

renter households? For my constituents, many of whom are renters, this change is grossly unfair and I feel an obligation to point it out.

Mr. GAYDOS. Mr. Speaker, as a member of the conference committee, I rise in support of this conference report to reauthorize the Higher Education Act of 1965 because it will go a long way toward giving students the chance to achieve their educational dreams. It will also ensure that taxpayers' dollars are spent wisely and effectively.

Too many students have seen their dreams of attending college fade away as college costs steadily increased at a rate that has outpaced the rate of inflation and also increased at a rate that is two to three times faster than the growth in the median family income. During this same period, families who are not considered to be in the top 20 percent of the economic ladder have seen their incomes stagnate or decline.

All of this is happening at a time when the Federal commitment to higher education has not even come close to keeping pace with the rate of inflation. Just look at the Pell Grant Program, for example. In 1979, the last year the program was fully funded, a student from a family of four having an income of $25,000 could receive a minimum Pell grant.

If overall funding for the Pell Grant Program and the 1979 maximum Pell grant of $1,800 had kept pace with inflation, the maximum grant today would be about $4,500 and would provide a minimum grant of $400 for a student from a family of four earning about $49,000 per year.

While the maximum Pell grant is currently authorized at $3,100, because of funding shortfalls, the maximum grant students actually receive is only $2,400. This level of support provides a minimum grant to a student from a family of four having an income of $35,000. In other words we are failing to reach students we originally intended to help by some $14,000 in family income.

The conference agreement before us attempts to correct this situation and to increase students' buying power in all of the assistance programs. As a result of this bill:

Four million current Pell grant recipients would receive larger awards; 1 million additional students would be eligible for Pell grants, with students from a family of four having an income of $42,000 eligible to receive a minimum grant of $400; 1.1 million current Stafford loan borrowers would be able to borrow larger amounts; 1.4 million additional students would be eligible to borrow under the Stafford Loan Program with 1.2 million—or 86 percent—of these new borrowers coming from middle class families; and, approximately 3 million families would be able to borrow more money from the Parent Loans for Undergraduate Students Program.

While all of this means that students will have more money available to finance their educations, it does concern me that a great deal of this money seems to be in the form of loans—not grants.

When the student assistance programs were first created, grants represented about 75 percent of a student's Federal assistance package and loans made up the other 25 percent. Today, those figures are reversed—loans comprise about 75 percent of a student's package and grants about 25 percent.

This grant and loan imbalance has created serious debt burdens for many students and their families, especially those students from middle income backgrounds who have been forced to rely almost exclusively on loans in recent years.

How well Federal education dollars for higher education are used is another critical issue. It is no secret that the integrity of the assistance programs has come under serious scrutiny in recent years.

The conferees who worked on this report embraced a wide variety of provisions that will strengthen existing laws and regulations and add several new ones that are aimed at eliminating fraud and abuse in the student assistance programs. These provisions are also geared toward increasing the quality of services provided by all of the players involved with these programs—including schools, lenders, secondary markets, and guaranty agencies.

I think we are all familiar with the tabloid news articles and the investigative television programs that focused on a few lousy schools in the career training sector of our higher educational system. These accounts seemed to indicate and in some cases blatantly stated that the student assistance programs were riddled with fraud and abuse and that virtually every school was guilty of some impropriety.

After the media blitz died down, many people were able to sit down and separate true fact from sensationalized fact.

They discovered what I have been saying for many years now. Sure there is some fraud and abuse in the programs—but not to the extent that people had been led to believe and not just on the part of career training schools—and that an unhealthy share of the fraud and abuse was brought about by a severe lack of oversight on the part of States and the Department of Education.

They also learned that no all career training schools are lousy. In fact, not only are the vast majority of schools doing an outstanding job of educating and placing their students, but many of these schools are far superior to their neighboring, completely tax-supported, community colleges.

We have come a long way in a few short years because fewer people are calling for the complete elimination of career training schools, and more people are realizing that students must have a wide variety of educational options—including choosing a quality career school over a mediocre community college.

While we have come a long way, we still have an even farther way to go because there are still individuals who refuse to look at the facts and wrongly insist that virtually every career school is in business solely to rip off students and taxpayers simultaneously.

Unfortunately, the reputations of many fine career schools have been tainted because they have been painted with the same indiscriminating brush as that which was properly used to paint a handful of their colleagues.

Even though many of the integrity provisions are targeted toward career training schools, several of my colleagues tried to ensure that students attending all types of schools would be treated fairly and equitably. And, for the most part, the integrity provisions are rational and defendable.

I am confident that most of the schools which are performing exceptional services to their students and communities will have little difficulty in meeting the new standards. Unfortunately, no matter how fair we tried to be, some good schools will not be able to meet them. Hopefully, the number of good schools which will be forced to close will be very low because we really cannot afford to lose even one good school.

I urge my colleagues to join me in supporting the conference report because the provisions in it will ensure that students have the necessary finances to attend postsecondary programs of their choice, and will ensure that their money is well spent by eliminating both real and perceived fraud and abuse practiced by all of the entities having an interest in the assistance programs—including schools, lenders, secondary markets, and guaranty agencies.

Mr. PANETTA. Mr. Speaker, I rise to express my strong support for this measure for which the chairman of the House Education and Labor Committee, Mr. WILLIAM FORD, has worked so tirelessly. His tremendous efforts will result in expanded access of middle-class families to student financial aid. Although the real heart and soul of this bill centers on financial aid, I want to highlight some specific provisions in the legislation.

Of particular significance is title V regarding teacher training. This title provides for the inclusion of teaching academies in the foreign language subject area. Foreign languages and international education are areas that I have long been involved and supported. My most recent effort in this area was legislation I introduced last year called the Global Education Opportunities Act, H.R. 1154.

Provisions from both titles of my bill were ultimately incorporated into the reauthorization measures in both the House and Senate. As a result, this country will have more teachers trained at the elementary and secondary level, and the resources to accomplish this goal. Also included are provisions to make it easier for students to use their financial aid moneys to study abroad, which is an activity already allowed under current financial aid rules.

All of this would not have been possible without the support of Chairman FORD, the 100 cosponsors of this legislation, and the support of my colleague, Senator CHRISTOPHER DODD, who introduced the companion bill. Mr. DODD and I also cochair the House/Senate International Education Study Group which is an informal group of members who work to increase congressional and national awareness of the importance of foreign languages and international education to the quality of life, national security, and economic prosperity of the United States.

The need for these foreign language and international education provisions is more than evident. Only 17 percent of public elementary schools offer any form of language instruction and more than 35 States are experiencing or projecting shortages of foreign language teachers. Too few Americans study abroad, in fact, fewer than 17 percent of American undergraduate students study abroad. Furthermore, far too few American students in the sciences, engineering, business, and other disciplines crucial to our economic well-being study a foreign language or study abroad.

I believe that the inclusion of these provisions of my original legislation will address these needs and truly help in setting this country on a course toward proficiency in other languages and cultures to cope on an everyday basis, beginning with elementary and secondary language acquisition, and qualified teachers.

At no time in history have events in one country or on one continent had more pervasive and lasting impact on the rest of the world. Changing world conditions are focusing the attention of America on the inescapable reality of cultural and linguistic diversity. Our vision for the world must include a global perspective and global knowledge if we hope to improve our Nation's competitive edge in the global marketplace.

Mr. DORGAN of North Dakota. Mr. Speaker, today we are given the unique opportunity to help average Americans realize the dream of sending their children to college. The conference report on the Reauthorization of the Higher Education Act represents the culmination of efforts of all those who made it a priority to expand access to higher education to include all Americans, including middle-income and farm families.

For many average families in this country, the dream of higher education was becoming more and more distant. These middle-income families often were ineligible to receive student financial aid, even though no one reasonably suggested that their incomes were adequate to cover the rising costs of college tuition. The very taxpayers who bear the brunt of paying for Federal financial aid programs were foreclosed from participating in it.

Many families found themselves ineligible because of equity that they had built in their homes or farms. The financial aid program expected parents to sell their homes and farms in order to send their children to college. This unfair policy had the effect of excluding many middle-income families from realizing their dreams of higher education.

The legislation that we are considering today finally treats farm families and other middle-income Americans fairly in the distribution of financial aid. This bill increases income eligibility limits for guaranteed student loans and Pell grants, increases Pell grant award amounts, and revises the eligibility determination formula to exclude home and farm equity. At last, average Americans will be able to afford to send their children to college without giving up their homes and their livelihoods.

As a cosponsor of the Middle-Income Student Assistance Act, much of which is incorporated into this bill, I support the conference report's efforts to finally make a college education affordable to all Americans. This bill restores the dream of higher education for thousands of middle-income and farm families, and deserves the support of every Member of this House.

Mr. BUSTAMANTE. Mr. Speaker, today this House will consider the conference report on S. 1150, the Higher Education Amendments of 1992. As a former educator, I strongly support this legislation, which will provide financial assistance for middle-income Americans.

Included in this conference report is a title III provision establishing a postsecondary network of Hispanic institutions of higher education.

This provision is based on legislation I introduced 4 years ago and is the culmination of my efforts to enhance the educational opportunities of Hispanic-Americans.

In this regard, I would like to thank the chairman of the Education and Labor Committee for his support in including this provision in the conference report which I urge all Members to support.

Mr. Speaker, I rise in strong support of the conference report on S. 1150, the Higher Education Amendments of 1992. As a former educator, I strongly support this legislation which will expand educational opportunities of middle-income and low-income Americans.

I would like to express my thanks to Chairman FORD and the entire Education and Labor Committee for fighting so vigorously in conference to have included in the final conference report the title III provision establishing a postsecondary network of Hispanic institutions of higher education [HSI's].

This provision is based on legislation I introduced on March 22, 1989, H.R. 1561. I have worked for the adoption of the basic concept behind this bill for the past 4 years and am extremely pleased that my many years of work have finally come to fruition.

I have pressed for the inclusion of this legislation in the Higher Education Reauthorization bill in order to enhance the educational opportunities of Hispanic-Americans.

It is the view of this Congress that the establishment of this HSI network represents a monumental step in Hispanic higher education—one which will provide Federal and State government, as well as the private sector, with a federally supported and recognized Hispanic student network that will make it easier for such public and private entities to target education resources and programs for the purpose of improving Hispanic educational achievement. In the years to come, Hispanic-Americans will constitute a substantial portion of our work force, and it is the intention of this Congress that this legislation will act as a vehicle for ensuring that this important segment of the population will be educationally prepared to meet the challenge of working in an increasingly technology-driven society. In this regard, I would like to thank the chairman of the Education and Labor Committee for his support in including this Hispanic postsecondary provision in the conference report. The Hispanic community greatly appreciates and will long remember the educational assistance it has received from Chairman FORD. I urge all Members to support this crucial education legislation and submit the following documentation as legislative history on this measure.

COMMITTEE ON
EDUCATION AND LABOR
Washington, DC, April 18, 1989.

Hon. ALBERT G. BUSTAMANTE,
Longworth House Office Building, Washington, DC.

DEAR AL: Thanks for writing me concerning H.R. 1561, the "Hispanic-serving Institutions of Higher Education Act of 1989."

I think this is an important bill. It addresses a very real need facing this country, namely the necessity of improving educational opportunities and achievements for Hispanic Americans. I am personally interested in this issue, and want to do what I can to be helpful. This Congress, we have several authorizations expiring, and thus we have a very busy hearing schedule already planned. However, the most appropriate context for the consideration of your bill might be the hearings leading to the reauthorization of the Higher Education Act. At that time, I would like to hold a hearing on your bill and the issue of Hispanic Americans and higher education, and I think the best location for such a hearing would be on a college campus in Texas.

I hope we can work together at putting these hearings together and at making sure that Congress gives this legislation and the issue it addresses the attention and support it deserves.

Best regards.

Sincerely,

PAT WILLIAMS.

H.R. 1561

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 "Hispanic-Serving Institutions of Higher Education Act of 1989".

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) Hispanic Americans have suffered from de jure segregation at American elementary and secondary public schools;

(2) failures of elementary and secondary school systems to meet the educational needs of Hispanic students are mirrored in postsecondary institutions;

(3) therefore, Federal efforts should be launched at the postsecondary level to address the deleterious effects of discrimination against Hispanics in education;

(4) until the era of the civil rights movement, Hispanics (like black Americans) were often excluded from higher education, but unlike black and Indian groups, have received no support for developing their own Hispanic colleges and universities;

(5) to address discrimination against Hispanics in education a federally supported network of institutions of higher education, which have a student body that has traditionally had a significant portion of Hispanic students, should be established;

(6) the number of Hispanics enrolled in higher education has increased steadily over the past decade;

(7) nevertheless the rate of higher education enrollment by Hispanic high school graduates has declined substantially over the past decade, despite a slight recovery between 1985 and 1986;

(8) the rate at which Hispanic children drop out of elementary and secondary schools is substantially higher than the national average for all students;

(9) higher education institutions play a constructive and critical role in helping the entire educational pipeline better serve persons of Hispanic origin; and

(10) in order to undertake and carry out activities designed to improve Hispanic educational attainment, these Hispanic-serving institutions will need additional financial assistance.

SEC. 3. PURPOSE.

It is therefore the policy of the Congress and the purpose of this Act to provide Hispanic-serving institutions of higher education with financial assistance to improve the educational attainment of Hispanic Americans.

SEC. 4. DEFINITIONS.

As used in this Act—

(1) the term "Hispanic-serving institution of higher education" means an institution of higher education which—

(A) has a student enrollment that is at least 25 percent Hispanic;

(B) is duly accredited by an agency recognized for that purpose by the Secretary;

(C) provides a four-year program leading to a baccalaureate degree or a two-year program leading to an associate's degree; and

(D) is a public or nonprofit private institution of higher education; and

(2) the term "Secretary" means the Secretary of Education.

SEC. 5. AUTHORIZED ASSISTANCE.

(a) TYPES OF PROGRAMS AUTHORIZED.—The Secretary shall provide such financial and related assistance to Hispanic-serving institutions of higher education as he finds necessary or appropriate to help them plan, develop, undertake, and carry out programs in any of the following areas:

(1) Student financial aid programs targeted for Hispanic students at all collegiate levels based on need. The purpose of such programs shall be—

(A) to provide financial assistance to Hispanic high school graduates who wish to enroll at institutions participating under this Act; and

(B) to provide financial assistance to students enrolled at institutions participating under this Act so those students can remain enrolled until the completion of their degree work.

(2) Hispanic recruitment and retention programs designed to increase the recruitment of Hispanic students at all collegiate levels by providing financial and academic support services designed to assist Hispanic students in completing academic requirements necessary for graduation in any degree program.

(3) Academic tutoring and academic counseling programs designed to assist Hispanic students at all collegiate levels in the selection of a suitable degree program, and provide such students with any additional instruction as may be necessary for them to complete their degree requirements.

(4) The implementation of special educational initiatives, such as—

(A) establishment of pre-freshman orientation programs on campus to ease Hispanic students' transition into higher education by providing counseling on critical study skills, academic resources, and personal budgeting techniques;

(B) establishment of pre-freshman instruction programs designed to help Hispanic students complete introductory college-level courses in core curricula such as math, science, and English; and

(C) establishment of academic support services for Hispanic students enrolled in fields where Hispanics are traditionally underrepresented such as math, science, and engineering.

(5) Collaborative activities with local educational agencies to identify Hispanic students at risk of dropping out, to implement programs to prevent dropping out, and to attract Hispanic dropouts back into the classroom.

(b) CONDITIONS FOR ASSISTANCE.—(1) The Secretary shall not provide assistance under this Act to any two-year institution unless such institution agrees to reserve at least 25 percent of its funding under this Act to assist graduates of the institution to continue and complete their college educations at duly accredited four-year institutions of higher education.

(2) The Secretary shall not provide assistance under this Act to any four-year institution unless such institution agrees to reserve at least 25 percent of its funding under this Act to recruit graduates from two-year institutions participating under this Act.

SEC. 6. APPLICATION PROCESS.

(a) INSTITUTIONAL ELIGIBILITY.—Any institution of higher education desiring to receive assistance under this Act shall submit to the Secretary such enrollment data as may be necessary to prove that it is a Hispanic-serving institution of higher education as defined in section 4, along with such other information and data as the Secretary may by regulation require.

(b) APPLICATIONS.—Any institution which is determined by the Secretary to be an eligible Hispanic-serving institution of higher education (on the basis of the information and data submitted under subsection (a)) may submit an application for assistance under this Act. The application shall include—

(1) a 5-year plan for improving the assistance provided by the institution to Hispanic students at the collegiate and pre-collegiate levels;

(2) satisfactory evidence that the institution will, if provided with assistance, enter into a collaborative arrangement with at least one local educational agency to provide that agency with assistance in reducing Hispanic dropout rates, improving Hispanic rates of academic achievement, and increasing the rates at which Hispanic high school graduates enroll in higher education; and

(3) such other information and assurances as the Secretary may require to carry out the purpose of this Act.

(c) ADDITIONAL COLLABORATIVE ARRANGEMENTS PERMITTED.—In addition to the collaborative arrangement required by subsection (b)(2), an eligible institution may enter into collaborative arrangements with nonprofit organizations or private sector business entities, or both, in order to carry out the purposes of such subsection.

SEC. 7. AWARDS OF ASSISTANCE.

(a) IN GENERAL.—Upon approving the application of any Hispanic-serving institution of higher education submitted under section 6, the Secretary shall enter into arrangements with such institution to provide it with financial assistance in such form, and for such period not exceeding 5 years (subject to subsection (b) and subject to the availability of appropriations), as he may deem appropriate to carry out the purpose of this Act.

(b) ANNUAL REVIEW OF INSTITUTIONAL PROGRAMS.—The Secretary shall annually review the conduct of each institutional recipient of assistance under this Act of the programs and activities for which such assistance is being provided, and shall terminate the provision of such assistance if, pursuant to any such review, he determines that such programs and activities are not achieving their objectives.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

To enable the Secretary to carry out this Act, there are authorized to be appropriated the sum of $70,000,000 for the fiscal year 1990 and such sums as may be necessary for each of the succeeding 4 fiscal years.

COMMITTEE ON
EDUCATION AND LABOR,
Washington, DC, June 22, 1992.

Hon. ALBERT BUSTAMANTE,
U.S. House of Representatives,
Washington, DC.

DEAR ALBERT: Thank you for the letters of May 6 and June 8 commenting on the reauthorization of the Higher Education Act on which you joined as a member of the Congressional Hispanic Caucus. I have delayed responding until the conference committee on this legislation completed its deliberations so that I could report to you the actions of the conference with respect to the issues on which you commented.

I am very pleased to report that the conference committee accepted the provision to create a program for Hispanic-Serving Institutions in Part A of Title III. At the initiative of Congressman Serrano the full authorization of $45 million was accepted. In addition, the definition of Hispanic-Serving Institutions as those with an enrollment of at least 25% Hispanic students was also retained.

The conference agreement includes the provision from the House bill to grant states the flexibility to develop their own methods of determining whether a student possesses the "ability to benefit" from higher education. The provision that would have excluded institutions from the Pell Grant program as well as the Stafford Student Loan program based on high default rates was dropped as you recommended. The requirement that institutions derive not more than 85% of their revenues from the student aid programs was retained. However, it is important to note that this provision applies only to proprietary schools and would therefore not affect institutions in Puerto Rico, which are primarily private non-profit institutions, or tribally-controlled community colleges.

Finally, the recommendations which you made concerning data collection, TRIO, early intervention, teacher training and graduate education were all substantially accepted in the conference.

Finally, let me also respond to the letter of May 15 concerning loan access for students attending private career schools on which you joined as a member of the Texas Congressional Delegation. The conference agreement adopted the strongest language that was available to enhance the lender of last resort program in each state to ensure that all students have access to loans to enable them to pursue postsecondary education.

I appreciate very much your support for the reauthorization of the Higher Education Act when this legislation was considered by the House in March. I hope that you will support the conference report (S. 1150) when it is taken up by the House in the near future.

With kind personal regards,

Sincerely,

WILLIAM D. FORD,
Chairman.

CONGRESS OF THE UNITED STATES,
June 8, 1992.

Hon. WILLIAM D. FORD,
Committee on Education and Labor.

DEAR MR. CHAIRMAN: As you know, the Hispanic-Serving Institutions (HSI) provision under Part A of Title III of the Reauthorization of the Higher Education Act is of extreme importance to the nation's Hispanic community. The new section will provide:

* * * grants and related assistance to Hispanic-Serving Institutions to improve and expand their capacity to serve Hispanic and other low-income students.

Your assistance is needed and respectfully requested to help ensure that this new subpart is enacted into law. Three issues are essential to the success of this proposal.

First, it is essential that the authorization level for HSIs remain at $45 million. This authorization will ensure that HSIs receive the assistance they need to make a difference with the mission to provide our Hispanic youth with the financial resources to pursue an education.

Second, the 25 percent enrollment level is important to ensure that a sufficient number of institutions are prepared to meet the

needs of a large and growing Hispanic community. Increasing the threshold to 40 percent, for example, would eliminate more than half of the mainland institutions eligible under the 25 percent threshold.

Third, tying the HSI provision to full funding for Part A is not acceptable because such a "hold harmless" clause would prevent the funding of the HSI provisions. We would like to state that the HSI provision is a NEW and separate funding authority, and is not designed to impact Part A.

The Congressional Hispanic Caucus is very supportive of the HSI language as it currently exists in S. 1150. We respectfully urge your support of this provision, which is of the utmost importance to our nation's Hispanic youth.

Thank you in advance for your cooperation.

Sincerely,

Solomon P. Ortiz, Esteban E. Torres, E (Kika) de la Garza, Matthew G. Martinez, Ileana Ros-Lehtinen, Ed Pastor, Edward R. Roybal, José E. Serrano, Albert G. Bustamante, Bill Richardson, Ron de Lugo.

CONGRESS OF THE UNITED STATES,
April 14, 1989.

Hon. PAT WILLIAMS,
Subcommittee on Postsecondary Education, Washington, DC.

DEAR MR. CHAIRMAN: We wish to respectfully request a hearing on H.R. 1561, the "Hispanic-Serving Institutions of Higher Education Act of 1989," which was introduced on March 22 of this year by Rep. Albert G. Bustamante.

This legislation is supported by the Congressional Hispanic Caucus, and would greatly assist us in improving the educational attainments of Hispanic Americans. As a rapidly increasing segment of our general population, Hispanic students have traditionally not done as well as other students at the postsecondary level. H.R. 1561 would address this problem by authorizing $70 million for colleges and universities with at least 25 percent Hispanic enrollment. We believe the federally supported network of hispanic institutions established under this bill would help provide Hispanic students with much needed supplementary financial assistance and academic support services. These services would in turn help to retain and recruit Hispanic college students.

Enclosed is a copy of the bill which has been endorsed by the National Council of La Raza, the National Association of Latino Elected and Appointed Officials, and the Hispanic Association of Colleges and Universities. We would support combining a hearing on H.R. 1561 with any other relevant measures pertaining to Hispanic education. We would also welcome and appreciate any field hearings you could hold on the bill in Texas, where the need for this legislation is most apparent.

We look forward to working with you on this vital educational initiative.

Sincerely,

ALBERT G. BUSTAMANTE,
Member of Congress.

JAIME B. FUSTER,
Chairman, Congressional Hispanic Caucus.

Mr. CAMPBELL of Colorado. Mr. Speaker, I'm happy to be here today to discuss reauthorization of the Higher Education Act. Passage of this legislation is an important step in helping low- and middle-income students achieve the dream of a college degree.

Providing Americans with the opportunity to earn an education is essential if this Nation is to prosper. We will not maintain our competitiveness on the world scene if we fail to prepare for the competition.

This bill is important because it recognizes the current imbalance between grants and loans for students trying to finance their education, and attempts to correct that problem. By supporting this legislation, we have the opportunity to give students a real chance at putting themselves through school—without forcing them to graduate strapped with an unmanageable debt.

The cost of higher education has increased dramatically in the past 10 years, but we have not provided more financial aid to help cover these costs.

Today we can reverse that trend by supporting this bill. It raises the maximum Pell grant in the academic year 1993–94 to $3,700, eventually reaching $4,500 by 1997–98. The number of students receiving grant assistance would be increased by raising family income for minimum grant eligibility to $42,000. While this increase would still cover less than half of the average costs of a year's education, it will increase access to education for the people who need it the most.

As much as an increase in Pell grants will help lower income students in their quest for a college degree, the middle class is also the winner in this proposal.

This bill creates new incentives for families to save for their kids' education. Students are protected from losing eligibility for aid if their parents have saved for their education. Currently, any such savings are counted twice: as savings and parental contribution. This change reflects the reality that savings are a one-time infusion of cash and will not be a yearly contribution.

Availability of guaranteed student loans are expanded for those with middle income, by allowing all students, regardless of family income, to borrow the maximum Stafford loan.

Most importantly, by passing this legislation, we can change the calculation for determining financial need to help middle-income Americans. It is unreasonable to expect a family to sell their home, farm, or small business to pay for their kids' education. But under current law, these assets are considered when determining eligibility for financial aid. Changing this calculation alone will give many kids access to financial aid that they have not had for 10 years, and help eliminate some of the squeeze felt by middle-income Americans.

I'd like to thank the members of the conference committee for their work on this bill, and urge my colleagues to support it. Giving all Americans a chance for an education is key if we expect to retain our strength and opportunity as a nation.

Mr. SANTORUM. Mr. Speaker, I am happy to rise today in support of this landmark legislation. Both the chairman and my good friend, the ranking member of the Education and Labor Committee, have a lot to be proud of in this bill. Unfortunately, there is one provision in the bill which I believe was maintained as an oversight. There were over 1,600 points of difference between the House and Senate versions of the bill. That one bad provision should slip through in conference is understandable, but no less regrettable.

The provision to which I refer is the so-called 85–15 rule. This provision requires title IV funding be cut off from any institution where 85 percent of the students receive financial aid. Although I understand the intentions of the provision, I believe the measure is fundamentally misguided. It will unnecessarily punish vocational and proprietary schools and the students who benefit from them.

That more students at proprietary schools benefit from title IV funding relative to other postsecondary institutions should not be misunderstood. It merely proves the point that these schools serve a needier population of students. The 85–15 rule will hurt these students in a number of ways. First, it will restrict their ability to choose a quality postsecondary institution by removing one of the choices. Second, it will penalize these students for their inability to pay for their own funding. The sad fact of the matter is that a school in danger of approaching the 85-percent mark will simply refuse entrance to a prospective student rather than risk the severe penalty of crossing the artificial 85–15 line of death. By doing so, they will force perspective students to forgo the job-related training they may have otherwise received.

Moreover, if the intent of the rule is to have proprietary schools conform with similar Federal regulations to monitor the spending of Federal dollars, a complete cutoff of title IV funds should only come after default rates, placement rates and other outcome indicators have been evaluated as well. As it is, the 85-percent mark is not a trigger but a threshold. If a school crosses that threshold, they automatically lose all future funding. For this reason, the 85–15 rule is bad public policy. When the President signs this bill and regulations are drafted, I expect this fact will become all the more evident.

I would like to raise one more point. When I last spoke on this matter, I stated that destroying the orchard was a poor way to get rid of a few bad apples. I would ask my colleagues to consider the following story which I was told a few months ago. It emphasizes the difficulties these schools confront and the potentially misleading inferences we draw from their problems.

A president of one of the vocational schools in my district was asked to make a reaccreditation visit to a school in Newark, NJ. He expected the worse. The school had extremely high default rates, low placement rates and was in all ways what one would expect of a bad apple school. As we all know, however, statistics seldom tell the whole story.

When he arrived, he and the other visitors found that in the midst of some of the worst urban blight in the United States, this school was doing its best to provide job-related opportunities to the young men and women in the community. The school was well-run and clean. Remedial training in both reading and mathematics was included in its curriculum. The teachers were dedicated and the students motivated. With all its problems, this school was doing what no one else would. It was serving a community and a population of students that would not otherwise be served. By focusing on dry statistics, we miss the point that title IV funding was meant for schools and communities like this one. After all, if even 10 percent of the students graduate and are placed in a job, there are that many more productive citizens added to our economy.

Although this school was reaccredited, it will go out of business as soon as the 85–15 rule is enacted. The community will lose one of its only functioning institutions and many prospective students will lose their only opportunity to better themselves. It is my hope that in the next Congress, after these amendments have become law, that my colleagues will join me in passing a technical amendment to remove this unfortunate provision.

Mr. STOKES. Mr. Speaker, I rise in support of the conference report on S. 1150, the Higher Education Act Amendments of 1992. I would like to commend the gentleman from Michigan [Mr. FORD] for the skill and leadership he has exhibited in bringing this vital measure to the floor for consideration.

S. 1150 reauthorizes the Pell grant, Guaranteed Student Loan Program, Federal student financial aid, institutional aid, and other Higher Education Act programs which are scheduled to expire at the end of fiscal year 1992. This measure expands Federal student financial aid to students from middle-class families and attempts to correct the imbalance between student reliance on loans versus grants.

More specifically, many of the provisions of S. 1150 are consistent with provisions included in the previously passed House bill which I supported. For instance, they are similar in that both include provisions to expand access by students from middle-income families to Federal financial aid programs. A special focus is placed on improving the integrity of these programs and to minimize waste and abuse. Moreover, both measures address the needs of nontraditional students and attempt to simplify the application process.

Conversely, the conference report differs from the House-passed version of this bill in that the report increases the authorized maximum Pell grant at amounts less than that provided in the House bill. Furthermore, the conference agreement allows students to borrow more under the Guaranteed Student Loan Program than does the House bill.

Relevant features of the agreement provide a maximum Pell grant of $3,700 for the 1993–94 academic year, representing a $1,300-increase over the current maximum level. The maximum level will increase by $200 each year, reaching a $4,500 ceiling in the 1997–98 academic year.

Additionally, the agreement expands middle-class access to guaranteed student loans by creating an unsubsidized loan program that would allow students, regardless of family income, to borrow up to a maximum limit. The measure also simplifies the needs analysis process and establishes a direct loan demonstration program that would include institutions of higher education that represent a cross-section of all institutions.

Finally, the bill also contains provisions intended to improve programs that serve historically black colleges and universities [HBCU's]. HBCU's enroll approximately 300,000 students, the majority of whom are from low-income families and require the assistance of Federal financial aid in order to pursue a higher education. The expansion of the student aid programs in S. 1150 should provide much needed assistance to these students.

Mr. Speaker, throughout the 1980's, college costs have increased much faster than both median family income and federal student financial assistance. Between 1980 and 1990, college costs increased by 27 percent for public universities, and 54 percent for private universities. However, during this period, the value of Federal financial aid has increased by only 23 percent, and the median family income has increased by only 15 percent.

The value of grant awards also has declined. In fiscal year 1979, the maximum Pell grant award covered almost half of the average cost of attendance. Currently, it covers about one-fourth of these costs. As a result of these trends, many students, particularly low-income students, increasingly have relied on loans to finance their education. Currently, 64 percent of the $18.4 billion in aid available to students will be in the form of loans, while 36 percent will be in the form of grants and work opportunities. This is the opposite of what was true a little over a decade ago.

Mr. Speaker, the conference report we have before us today addresses these trends and will put programs in place which will allow all students an equal opportunity to receive a higher education. It is for this reason that I support the conference agreement on S. 1150. I ask my colleagues to join me in support of its final passage.

Mr. PENNY. Mr. Speaker, I rise in support of the Higher Education Amendments of 1992, S. 1150, and urge my colleagues to support this conference report.

This measure is a 5-year renewal of Federal student financial assistance grant and loan programs and continuing education, library services, and other important postsecondary programs.

Of particular interest to me is a requirement that educational institutions use a portion of their college work study [CWS] dollars to fund community service jobs. During consideration of the reauthorization in the House earlier this year, I offered an amendment expanding the definition of community service and encouraging schools to fund more community service jobs provided under the CWS Program. Under S. 1150, schools participating in the CWS Program will now be required to use 5 percent of CWS funding for community service jobs, although they are allowed to apply for a waiver of this provision if a hardship could result. Long overdue, this change will provide many challenging new opportunities for students to address the educational, social, and environmental needs of their communities.

I am also pleased that S. 1150 increases the loan limits in the Stafford Loan Program and establishes a new unsubsidized loan program. This new loan program will provide many students and their families who currently do not qualify for a Stafford loan with the aid necessary to pay school expenses. In another important and long overdue change, the reauthorization allows most nontraditional students to apply for Pell grants—a change in policy I have fought for for over 5 years. In addition to these changes, the reauthorization removes the value of a family's home or farm from the determination of student aid eligibility, simplifies, and streamlines the student aid application and needs analysis, and establishes new student loan default provisions to ensure the integrity of the student loan programs.

Despite the Bush administration's initial opposition, the conference report establishes a direct loan pilot program that will enable a cross section of postsecondary institutions to determine the financial need of students and originate loans to those students. This program holds great hope in eliminating many steps in the student aid process that in the final analysis make loan programs complicated for students and their parents and costly to the taxpayer paying the attendant subsidies and indirect costs. The GAO has estimated this program could save millions of dollars, and in any case, the conference report requires GAO to report by May 1998 to the Congress with an evaluation of this demonstration program.

Mr. Speaker, there are few programs available today more important than the student aid programs of the Higher Education Act. These programs are a very wise investment in our children's future, and provide the only avenue for many needy students to gain a postsecondary education. The conference report before us makes a number of long overdue changes in the law that will result in many more students becoming eligible for student assistance and for that reason I urge an "aye" vote on this vitally important legislation.

Mr. HAYES of Illinois. Mr. Speaker, I rise today to express my full support for the conference agreement on higher education. As you know, this measure reauthorizes the major Federal programs supporting postsecondary education, including over $18 billion in student aid to help financially needy students attain a higher education.

As a member of the committee, our initial goal in this reauthorization was to ease the burden low- and middle-income families must carry in order to educate our youth. Successfully earning a higher education is becoming more and more financially difficult for most, and almost totally impossible for many minority youth. We must reinvest in the people of this Nation so that they are adequately prepared to compete with their minds instead of with military weaponry.

That is what we have done today in this conference report. We have been successful in increasing student aid funds for Pell grants, as well as for student loans. While I regret that we were not successful in retaining language creating the Pell grant as an entitlement, which is truly what we ought to do for this Nation's students, I am pleased that we have made strides in improving access and opportunity to a higher education for millions of Americans.

Mr. Speaker, I would like to share my concern about a few provisions which may be quite detrimental to my constituency. As you know, the conferees agreed to eliminate for-profit institutions participating in title VI programs in which 85 percent of the institution's revenues are derived from Federal funds. While I may understand the basic intent of this provision, it concerns me because private career schools often serve a large number of students who need Federal assistance the most. This provision seemingly undermines our efforts to increase access to a higher education. While it has been said over and over again, we must understand that all of our students do not have as an option the ability to attend a traditional 4-year institution. Through this provision, we may, in fact, penalize the very students we allegedly intend to assist through this legislation.

Additionally, Mr. Chairman, I am pleased that the conferees agreed to retain title IV eligibility for programs of less than 600 clock hours. I would like to align myself with the comments of my good colleague, Mr. GOODLING, during his earlier colloquy with Chairman FORD specifying the intent of the conferees as it concerns program eligibility for these short-term programs. I believe that it is critical, as well as simply logical, that we permit quality short-term programs to operate.

Finally, I am concerned about the likely outcome of the cohort default rate provisions in the conference agreement. As was repeated time and again throughout the hearing process, cohort default rates do not always reflect the quality of the educational institution. Given the fact that cohort default rate data is not always accurate, I am unclear as to whether or not it is fair that we establish these cohort cutoffs. Moreover, we end up penalizing current students for the defaults of prior students. I encourage the Department of Education to closely consider program reviews, audits, guarantee agency reviews, and the historic mission of institutions when assessing institutional quality. I additionally suggest that the Department again reconsider its regulation as it concerns an institution's use of the mitigating circumstances appeal process, so as to require a broader view of the institution in determining participation in student aid programs.

In conclusion, Mr. Speaker, included in this measure are three provisions which I authored. The first provision establishes an institute for international public policy, which will hopefully encourage greater representation of African-Americans and other minorities in international service, including the U.S. Foreign Service. I was pleased that this provision originated from the field hearing held in my district as part of the reauthorization process. The president of Chicago State University, Dr. Dolores Cross, eloquently spoke in support of this addition to S. 1150. It is my opinion that institutions such as Chicago State University will be likely candidates to participate in this new program. I also want to briefly commend my colleague from the District of Columbia, ELEANOR HOLMES NORTON, for her assistance in originally introducing this concept of H.R. 3362 last September. It is clear that people of color are grossly unrepresented in the field of international affairs, and this inequity must be addressed. This provision is an effort to complement current activities in the international field to increase minority participation.

Additionally, this conference document includes a new demonstration program which encourages female and minority elementary and secondary students to pursue higher education in science and engineering. This provision was modeled after effective and innovative outreach programs for female and minority students at the Illinois Institute of Technology [IIT], located in my district on the south side of Chicago. IIT has a well-established record of success in designing and administering science and engineering outreach programs for elementary and secondary students on the south side of Chicago. It is my hope and desire that institutions of higher education across the Nation will look at IIT's model programs as they develop their own outreach efforts in this area.

Finally, this legislation establishes a demonstration program through partnerships with institutions of higher education to provide training and technical assistance for school-based decisionmakers for school systems which are in the process of systemic reform. As nationwide reform efforts continue to develop, with the encouragement of this Congress, this provision is a specific effort to assist local education agencies in preparing parents, teachers, and other concerned citizens that are making critical staffing, management, and budgetary decisions under decentralized reform programs. Various locales, including the Chicago public school system, are certain to benefit from this provision.

I encourage the support of my colleagues today because it is my belief that this is the first true economic relief package that has been considered in this body. With the riots in Los Angeles, and other disturbances nationwide, indelibly etched in our memories, we must continue in our efforts to improve educational opportunities for this Nation.

Ms. NORTON. Mr. Speaker, I am very pleased to rise in support of the conference agreement on S. 1150, the Higher Education Amendments of 1992, and to commend Chairman WILLIAM FORD, ranking Republican member WILLIAM GOODLING, and the other members of the Committee on Education and Labor for their diligence, wisdom, and skill in crafting this legislation. This bill is the result of many long and arduous hours of effort by many individuals to fashion legislation that would be a fitting and thorough update to the Higher Education Act of 1965. The Higher Education Amendments of 1992 are worthy of our support both now and in the future when we are faced with bills to appropriate funds for the programs established in this legislation.

This bill has been fashioned with the 21st century in mind and with the realization that today this Nation is too educationally underprepared to become occupationally prepared. The opportunity for education and training more than any others that Government can provide is the fundamental prerequisite for meeting the challenge of competitiveness where we have fallen short. This bill takes up the challenge and points us in the direction of the future.

I am especially gratified that the Institute of International Public Policy, which my colleague from Illinois, Mr. HAYES, and I proposed as an amendment to H.R. 3553, has been included in the conference agreement. We hear constant regret from public officials and from people of color that there are not more people of color available to represent the United States in a world that is predominantly nonwhite. As a former Chair of the Equal Employment Opportunity Commission, I understand the importance of mandating equal opportunity. But my experience also has taught me that we must facilitate the pursuit of equal opportunity. The primary purpose of the Institute will be to diversify our Nation's Foreign Service Corps by actively aiding the development of minority foreign service professionals. Key features of my amendment include a junior-year abroad program, fellowships for study at the master's degree level, and a cooperative program to prepare graduates for the foreign service examination. Because Washington, DC, is the seat of government and the home of a large black and Hispanic population, I particularly hope that the institutions of higher learning in the District of Columbia and their students will benefit from this program.

In a bill with many sections that address vital present and future needs, it is difficult to select some for special mention. However, I think this bill especially warrants praise because it includes Pell grant eligibility for less-than-half-time students, reauthorization of special child care services for disadvantaged college students, grants for sexual offenses education, grants to institutions to encourage women and minority participation in graduate education, programs to encourage minority students to become teachers, and provision to create a women and minorities science and engineering outreach demonstration program.

While I support this legislation, I must express a note of caution to my colleagues as we attempt to revamp the student loan and financial aid system to provide increased and improved access to financial aid for our Nation's college students. Let us not lose sight of our longstanding commitment to provide educational opportunities to those who otherwise would have none. As we increase the access of middle-income students to financial aid funds, let us be mindful of the students who continue to be in greatest need of financial assistance and who are often least equipped to tap into available resources. The pool of funds has not been expanded in proportion to the number of hands that will be reaching in. If young Americans in search of opportunity are required effectively to mortgage their future to finance their education, many will be discouraged. We must make sure that our efforts do not result in zero sum gain.

Education is fast becoming as great a necessity as food and shelter simply to maintain our present place in the global economy, much less move forward. Congress and the Nation are finally giving education higher priority with the understanding that education is an absolute necessity if the United States is to be a world leader in the next century and beyond.

Everyone, especially our youth, deserves the chance to learn, to dream, achieve, and to excel. Education offers this chance. It is our job to make sure that every American who wants to learn has access to educational opportunities. This bill will open doors for many. I urge my colleagues to adopt the conference agreement and to vote to reauthorize the act.

□ 1740

Mr. FORD of Michigan. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 419, nays 7, not voting 8, as follows:

[Roll No. 274]

YEAS—419

Abercrombie
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—7

Armey
Burton
Crane
Dannemeyer
DeLay
Doolittle
Stump

NOT VOTING—8

Ackerman
Alexander
Hatcher
Hefner
Hyde
Lent
Lewis (FL)
Traxler

□ 1801

Mr. ARMEY changed his vote from "yea" to "nay."

Mr. ROSE changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENDING THE NATIONAL COMMISSION ON TIME AND LEARNING

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the bill (H.R. 5560) to extend for 1 year the National Commission on Time and Learning and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

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

Mr. GOODLING. Mr. Speaker, reserving the right to object, I will not object. I want to give the chairman an opportunity to describe the bill and also give him an opportunity to repeat what we said in committee, that if this becomes a Christmas tree with lots of ornaments on it, we will not support it later on.

Mr. Speaker, I rise in support of this legislation. It is very noncontroversial and would correct several current problems in Federal education legislation. I hope that the Senate will act on it expeditiously.

The provisions of the act are:

First, schoolwide projects in chapter 1 are those in which at least 75 percent of the students in the school are chapter 1 eligible. The law stated that a school district not reduce funding below the previous year. Since then, however, some districts have had budget cuts which will affect all schools—a situation we did not foresee. A number of schoolwide project schools will drop out this year if we don't fix this problem.

The amendment would simply say that if all schools' funding is reduced, then schoolwide projects can be reduced at the same rate. The Department of Education [ED] supports this amendment.

Second, with a recent reorganization at ED, some Assistant Secretaries [AS] are getting paid less than others. This provision would give them all the same pay level.

Again, this is a provision that the Department supports.

Third, we created a Commission on Time and Learning last year to study extending the school day and year. By the time it was organized, its authorization was almost used up. This amendment would extend the Commission 1 more year.

ED supports this amendment as well.

Fourth, in current law there is an authorization for a grant to support education programs on civics and government. Currently it only mentions elementary education. The group that has the grant would like to expand their work to secondary schools. The amendment would insert the words "and secondary" as well as make a few other technical amendments. This seems pretty straightforward.

ED does not object to this amendment.

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

Mr. GOODLING. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Speaker, I concur with the statement of the ranking minority member, the gentleman from Pennsylvania [Mr. GOODLING] on this bill. I urge the passage of this legislation, which extends the Commission on Time and Learning for 1 year and proposes several minor and straightforward changes to existing law.

With that in mind and with the words of the gentleman from Pennsylvania [Mr. GOODLING] in mind, I would move the previous question.

Mr. Speaker, H.R. 5560 is a simple bill which proposes several minor and straightforward changes to existing laws.

The first change simply amends the Education Council Act of 1991 to extend the authorization for the National Commission on Time and Learning for an additional year.

This will ensure that this Commission has sufficient time in which to complete its statutorily mandated responsibilities.

The second change modifies the Elementary and Secondary Education Act provisions authorizing the "We the People Program."

These changes clarify that the Secretary of Education may provide assistance through grants as well as contracts, and this program should be available in secondary as well as elementary schools.

The third provision amends title V of the United States Code to require that all 10 Assistant Secretaries in the Department of Education are compensated at the same level.

This responds to a formal administration proposal.

Finally, the bill amends the Elementary and Secondary Education Act to modify the maintenance of effort requirements for chapter 1 schoolwide projects.

This provision ensures that school districts will not have to reduce funding to their other schools in order to maintain the funding levels for schoolwide projects.

I urge the adoption of the bill.

Mr. GOODLING. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 5560

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

SECTION 1. EXTENSION OF COMMISSION.

Section 102(h) of Public Law 102-62 is amended by striking "and 1993" and inserting "1993, and 1994".

SEC. 2. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CIVIC EDUCATION PROGRAM.—Section 4609 of Public Law 89-10, as amended (20 U.S.C. 3156 (b)), is amended—

(1) in paragraph (3) of subsection (a)—

(A) by striking the heading and inserting the following new heading: "CONTRACT OR GRANT AUTHORIZED.—"; and

(B) by inserting "or grant" after "contract";

(2) by amending paragraph (3) of subsection (b) to read as follows:

"(3) an annual national competition of simulated congressional hearings for secondary students who wish to participate in such program."; and

(3) in subsection (c) by inserting "and secondary" after "elementary".

(b) ADMINISTRATIVE PROVISIONS.—

(1) Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Education (6)" and inserting "Assistant Secretaries of Education (10)".

(2) Section 5316 of title 5, United States Code, is amended by striking "Additional Officers, Department of Education (4)".

(3) The amendments made by paragraphs (1) and (2) shall take effect on the first day of the first pay period that begins on or after the date of the enactment of this Act.

(c) SCHOOLWIDE PROJECTS.—(1) Section 1015(b)(6)(B) of Public Law 89-10, as amended (20 U.S.C. 2725(b)(6)(B)), is amended to read as follows—

"(B) the average per pupil expenditure in schools described in subsection (a) (excluding amounts expended under a State compensatory education program) for the fiscal year in which the plan is to be carried out will not be less than such expenditure in the previous fiscal year in such schools, except that—

(i) the cost of services for programs described in section 1018(d)(2)(A) shall be included for each fiscal year as appropriate only in proportion to the number of children in the building served in such programs in the year for which this determination is made; and

(ii) if the average per pupil expenditure of the local educational agency is less than such expenditure in the previous fiscal year, the average per pupil expenditure of schools described in subsection (a) may be reduced by the local educational agency in the exact proportion to the average reduction of expenditures for all schools in such agency.

(2) APPLICATION.—The amendment made by paragraph (1) shall be effective on or after July 1, 1992.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

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

There was no objection.

DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1992

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 509 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 509

Resolved, That all points of order against consideration of the bill (H.R. 5517) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes, for failure to comply with the provisions of clause 7 of rule XXI are waived. During consideration of the bill, all points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived. Points of order under clause 2 of rule XXI against the amendment printed in the report of the Committee on Rules accompanying this resolution are waived. Such amendment and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. MCEWEN], 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 509 provides for the consideration of H.R. 5517, the District of Columbia appropriations bill for fiscal year 1993.

The resolution waives points of order under clause 7 of rule XXI against consideration of the bill. Clause 7 requires relevant printed hearings and committee reports to be available for 3 days prior to the bill's consideration on the floor.

The resolution also waives points of order under clause 2 of rule XXI against the bill and against the amendment to be offered by Mr. MCEWEN printed in the report accompanying this resolution.

The amendment is debatable for 20 minutes, with the time equally divided between proponents and opponents of the amendment. Clause 2 of rule XXI prohibits unauthorized appropriations or legislative provisions in general appropriations bills.

Mr. Speaker, House Resolution 509 is a straightforward rule allowing for free and open debate on appropriations for the District of Columbia.

In line with the formula enacted in Public Law 102-102 last year, H.R. 5517 appropriates a Federal payment equal to 24 percent of the local revenue collected 2 years previously. The measure also approves appropriations from local D.C. revenues.

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

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

Mr. Speaker, I rise to join the distinguished member of the Rules Committee from Missouri, Mr. WHEAT, in support of House Resolution 509, the rule for the consideration of H.R. 5517, the District of Columbia Appropriations Act for Fiscal Year 1993.

I commend the chairman of the Rules Committee, Mr. MOAKLEY, and our Republican leader, the gentleman from New York [Mr. SOLOMON], for reporting a rule for the D.C. appropriations bill which permits motions to strike funding.

It has historically been the right of Members to offer amendments striking funding from appropriations bills on the House floor. The right to offer those amendments is a fundamental aspect of the appropriations process. Any deviation from this open process relating to motions to strike, such as the rules brought to the floor for the Legislative and Foreign Operations Appropriation Acts, is very troublesome.

Again, I applaud this rule for permitting an open process for floor consideration of amendments striking funds from the bill.

As my friend from Missouri has described, House Resolution 509 waives

all points of order against consideration of the bill for failure to comply with clause 7 of rule XXI, and all points of order against provisions of the bill for failure to comply with clause 2 of rule XXI.

Finally the rule also waives clause 2 of rule XXI against the McEwen amendment printed in the report.

Mr. Speaker, I would like to recognize the chairman of the Appropriations Subcommittee on the District of Columbia, the distinguished gentleman from California [Mr. DIXON], for his fine work in bringing this bill to the floor. The chairman, and the ranking member, Mr. GALLO of New Jersey, have worked with diligence and a commitment to improving life in our Nation's capital.

I commend the chairman and ranking member for coming to Rules Committee and asking for what is essentially an open rule.

This appropriations bill is within the subcommittee's budget allocation. It appropriates $713.7 million for the District Government in fiscal year 1993, a 2-percent increase over fiscal year 1992 funding, and $763,000 above the President's request.

Mr. Speaker, the Appropriations Subcommittee on the District of Columbia has labored for years to improve conditions in this city. Our Nation's Capital, the capital of the free world, is a troubled city—this subcommittee works hard to return this city to its past glory as a city every American can be proud of.

Mr. Speaker, this rule makes in order an amendment that I will offer to prohibit any funds in this bill from being used to enforce the current prohibition on the possession or use of mace within the District.

Now, Mr. Speaker, it is no secret that our Nation's Capital suffers from a very serious crime problem. The threat of violent crime is something that District residents, and those who work in this city, must live with on a daily basis. An increasing number of our congressional staff members, often dedicated young people who come from across the country to work in D.C. for Members of Congress from their home States, have suffered from violent attacks.

Simply put, mace is a nonlethal defensive weapon that many law-abiding individuals, especially women, would like to have the right to carry.

Unfortunately, D.C. law does not give them that right. Mace is currently considered a dangerous weapon in the District of Columbia. It is illegal for the very women who walk in fear in D.C. to carry mace to protect themselves. This prohibition is patently absurd.

My amendment to this appropriations bill will prohibit any appropriated funds from enforcing this prohibition on carrying mace. This amendment has bipartisan support, including the support of the subcommittee chairman and ranking member.

Mr. Speaker, carrying mace should not be illegal in Washington, DC. The upstanding citizens of the District, the overwhelming majority in this and every other city threatened by crime, should be able to defend themselves with this nonlethal weapon.

Mr. Speaker, I would like to insert a copy of the administration's statement of policy on this D.C. appropriations bill in the RECORD at this time. The administration objects to section 114 of the bill dealing with abortion, and I look forward to that controversy being resolved.

Again, it is a great pleasure to be able to rise and join with my friend from Missouri in support of an open rule. I urge support for House Resolution 509, I look forward to consideration of the D.C. Appropriations Act, and I reserve the balance of my time.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 1, 1992.

STATEMENT OF ADMINISTRATION POLICY

(H.R. 5517—District of Columbia Appropriations Bill, FY 1993—Sponsors: Whitten, Mississippi; Dixon, California)

This Statement of Administration Policy expresses the Administration's views on H.R. 5517, the District of Columbia Appropriations Bill, FY 1993, as reported by the Committee.

The Administration objects to section 114 of the Committee bill, which would permit the use of Congressionally-appropriated local funds to finance abortions. The President vetoed the FY 1990 and FY 1992 District of Columbia Appropriations Bills because they contained language identical to the language included in this bill. The Congress ultimately passed bills containing abortion language acceptable to the Administration.

The Administration urges the House to adopt language concerning abortion that was included in the FYs 1989-92 District of Columbia Appropriations Acts. The language of these Acts prohibits the use of Federal and local funds to perform abortions, except where the life of the mother would be endangered if the fetus were carried to term. The President will veto any District of Columbia Appropriations Bill that does not include this language.

On the basis of OMB's initial scoring, the Administration finds that the Committee bill is within the House and Senate 602(b) allocations for the Federal payment to the District. In aggregate, the House and Senate 602(b) allocations are consistent with the statutory spending limits enacted in the Budget Enforcement Act.

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

Mr. WHEAT. Mr. Speaker, I thank the gentleman from Ohio for his support of this resolution. I also urge adoption of the resolution.

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 on the table.

□ 1810

Mr. DIXON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5517) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New Jersey [Mr. GALLO] and myself.

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

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

□ 1811

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5517, with Mr. MFUME in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from California [Mr. DIXON] will be recognized for 30 minutes, and the gentleman from New Jersey [Mr. GALLO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DIXON].

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

Mr. DIXON. Mr. Chairman, I am pleased to present to the House today the District of Columbia appropriations bill for fiscal year 1993.

I will be very brief in my remarks.

First, I want to thank the members of the subcommittee for their support and assistance—especially the gentleman from New Jersey [Mr. GALLO], the ranking member, for his diligence and hard work.

This bill is different from the other 12 appropriation bills in two ways—First, it is balanced with budget authority equal to revenues; and second, it includes the appropriation of three distinct kinds of funding:

First, it includes Federal money of $714 million;

Second, it includes local taxes and fees of $2.8 billion; and

Third, it includes long-term borrowing authority of $380 million.

These amounts from three different sources total $3.9 billion which is the total amount in this bill.

The other 12 appropriations bills the House considers are all funded from the Federal Treasury.

It is important that Members keep this difference in mind as we debate this bill this afternoon.

This bill does not draw all of its funds from the Federal treasury as the other 12 appropriations bills do.

We also recommend a net increase of $37 million in supplemental appropriations and rescissions for fiscal year 1992 consisting of $154 million in rescissions and $190 million in increases. These are all District funds—there are no Federal funds involved in the District's fiscal year 1992 supplemental.

For fiscal year 1993, the $714 million in Federal funds is $14 million above last year's appropriation and $763,000 above the request.

This $714 million in Federal funds falls into five major categories—$624.9 million for the Federal payment to the general fund based on the formula Federal payment authorization approved last session in Public Law 102–102; $52.1 million as a Federal contribution to the police, fire, teachers, and judges retirement funds; $30.8 million for major crime and youth initiatives; $763,000 for special police, education, and health programs; and $5.5 million for the January 1993 Presidential inauguration.

I will take a moment to explain each of these five categories briefly.

First, the Federal payment of $624.9 million is the amount authorized by Public Law 102–102 that established a formula for determining the Federal payments for fiscal years 1993, 1994, and 1995.

The formula is 24 percent of general fund local revenues collected by the District government 2 years prior to the budget year.

The recommended amount of $624.9 million is $30.8 million below the request and $5.6 million below last year's appropriation.

Second, we recommend $52.1 million for the Federal contribution to the police, fire, teachers, and judges retirement system.

This is the 14th of 25 annual payments authorized by Public Law 96–122.

Third, for crime and youth initiatives, the bill includes $30.8 million which cannot be obligated or spent until the committee approves a joint report by the Mayor and council detailing the policy objectives, programs, and funding requirements for these initiatives.

Our committee is greatly concerned about the serious problems of crime and violence in the District.

Authorizing legislation (H.R. 5520) for these funds is pending in the Committee on the District of Columbia with action expected very soon.

We are urging the Mayor and council to try new and innovative approaches and submit a joint report to the committee before they obligate or spend any of these funds.

Fourth, included in this bill is $763,000 for special police, health, and education programs; $250,000 is for police training; $150,000 will provide jobs under the direction of the police department for at least 75 young people between the ages of 14 and 18; $40,000 is for a program to teach self-discipline, motivation, and respect to 300 children between the ages of 6 and 11 at seven elementary schools here in the District.

The program uses a form of martial arts and is taught by black-belt instructors who conduct classes twice a week during the school day.

The amount of $43,000 will allow volunteers to provide one-to-one confidential instruction to working-age adults who cannot read or write well enough to fill out a simple job application.

The amount of $140,000 is for the D.C. Institute for Mental Health to provide professional mental health care to low-income, underinsured, and indigent children, adults and families in the District of Columbia.

The amount of $140,000 is for Children's Hospital for a cost-shared National Child Protection, Trauma and Research Center estimated to cost $50 million with most of those funds being raised from the private sector.

Fifth, the bill includes $5.5 million to reimburse the District government for expenses it will incur in connection with the upcoming Presidential inauguration in January 1993.

We recommend $946 million for public safety and justice programs which include fire and police protection, ambulance service, and support for the city's criminal justice system.

The police department presently has 4,503 uniformed personnel. We recommend funds and bill language mandating a police force of not less than 4,889 sworn officers.

In the fire department we recommend abolishing four battalion chiefs and one deputy chief. This is in addition to a reduction of 19 positions already abolished by the Mayor.

In the area of human support services, the bill includes $887 million for programs such as drug treatment and education, foster care, mental health programs, and the operation of senior citizen programs.

For public education, the bill includes $714 million which includes $514 million for the public schools and $21 million for the District's library system.

For the various public works activities which include the metrorail and metrobus operations as well as the taxicab commission and funds for the city's streets and highways, we recommend $228 million.

The bill includes $252 million for the water and sewer enterprise fund which is used to provide safe drinking water and to collect, treat, and dispose of wastewater as well as solid waste for the District.

The construction program is funded at a level of $380 million and includes $102 million for the department of public works and $62 million for the public education system.

Under general provisions, we recommend language under section 114 of the bill that restricts the use of Federal funds for abortions except to save the life of the mother.

First, a language under section 133 of the bill requires the District to close the Cedar Knoll Youth Detention Center in Laurel, MD, by June 1, 1993.

A consent decree signed by the District in July 1986, required the facility to be closed by December 1, 1987, almost 5 years ago.

Second, the issue of unpaid traffic violations owed by foreign embassies is addressed in section 135 of the bill.

The language prohibits the registration of vehicles whose owner or authorized user has not paid outstanding balances.

Third, bill language in section 136 would prohibit the District from imposing a payment-in-lieu-of-taxes—which is commonly referred to as a "PILOT"—on suburban consumers in Maryland and Virginia.

In the face of falling revenues, the new District leadership is making some hard decisions to keep costs down and balance their budget.

The bill includes language they requested that requires all District employees, with limited exceptions for public safety and health workers, to be furloughed 12 days in fiscal year 1993—1 day a month—to save $36 million.

All within-grade salary increases are being denied in fiscal year 1993 to save $13 million.

And no funds were included in the District's budget for employee pay raises—including a 14-percent increase for police officers over 2 years based on an arbitration award which was estimated to cost $34 million.

Even with these cost-cutting measures, the District government has had to propose selected increases in taxes and fees of $82.9 million to partially offset lower property and income tax collections.

As far as the budget resolution is concerned, this bill is within the 602(b) allocations of $714 million in budget authority and $724 million in outlays.

In closing, I want to thank all of the members on our subcommittee for their assistance in bringing this bill to the floor today.

Mr. NATCHER of Kentucky, who served for 17 years as chairman of this subcommittee and is marking his 37th year of service on our subcommittee, Mr. STOKES of Ohio, Mr. SABO of Minnesota, Mr. AUCOIN of Oregon, Mr. DWYER of New Jersey, Mr. GALLO of New Jersey, the ranking member of our subcommittee, Mr. REGULA of Ohio, and Mr. DELAY of Texas.

Mr. Chairman, this is a good bill, and I recommend it favorably to the Members.

□ 1820

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

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

Mr. Chairman, I rise in support of the bill, H.R. 5517, the fiscal year 1993 appropriations for the District of Columbia, as described by the chairman of the subcommittee, Mr. JULIAN DIXON.

I wish to thank and recognize Chairman DIXON for his diligent work on this subcommittee. Quite frankly, it is a thankless job and he does his work with patience, attention to detail, and in a true bipartisan spirit of cooperation.

I also want to thank members of the subcommittee, Mr. RALPH REGULA, who keeps a watchful eye on the school system, and Mr. TOM DELAY, for his interest in economic development issues.

I also want to thank members of the D.C. authorizing committee, including the chairman, Mr. RON DELLUMS, ranking member Mr. TOM BLILEY, and District Delegate Ms. ELEANOR HOLMES NORTON, who have worked closely with us in development of this bill.

And, we could not do our work without the help of our staff. I would like to recognize Migo Miconi, Mary Porter, and Donna Mullins for all their hard work and assistance.

As members of this subcommittee, it is our responsibility to oversee and approve the budget of the District, provide the Federal payment to the District in accordance with the formula bill, and address critical issues facing our Nation's Capital.

I believe we have done these things.

We have preserved the Federal formula bill. Although some District officials continue to argue what the amount should be, the authorizing committee and the Appropriations Committee are in full agreement with the amount provided in this bill.

The formula bill provided for a Federal payment equal to 24 percent of local revenues. We have provided that amount in this bill.

We have also provided $30 million dollars for anticrime efforts in this city—each year the District sets a new record for the number of murders and violent crimes. District residents, our constituents, our staffs, and our colleagues have all been affected by this crime wave.

These moneys are provided to support the Mayor's crime youth initiative as well as increased foot patrols, advanced training, and other anticrime programs of the Metropolitan Police Department.

The bill requires that our committee approve the District's plan for using this money before the funds are released.

And, now let me make a few comments about the District's budget.

While we have approved the District's budget with a few changes, I do have some serious concerns.

Despite the Mayor's efforts, there is still a perception that the bureaucracy serves themselves—not the people of the District.

For instance, the District still doesn't know how many employees they have. And, there are over 3,500 positions that are fully funded but vacant.

This is no way to balance a budget.

The Mayor, I believe, underestimated what it would take to get the city's budget under control. Mayor Kelly needs to get that shovel out and use it, and she needs the council's support to make it work.

Some progress has been made—the schools have new playgrounds, over half of the fire code violations in the schools have been fixed, the Mayor has successfully revived the Summer Youth Employment Program, and some vacant positions have been eliminated. It's a start, but that's all it is.

This is my candid assessment of this bill. I believe we have fulfilled our responsibilities.

I have no doubt that there will be other controversial issues on the floor today.

With regard to abortion, as the chairman has stated, the bill restricts the use of Federal funds for abortion except in the case of the life of the mother.

The bill does not restrict the District's funds, which I believe is fully consistent with the Supreme Court's decision in Webster and the recent Casey decision.

The Office of Management and Budget has, however, indicated that the President will veto the bill unless this prohibition extends to District funds as well.

There may also be amendments to cut funding in this bill. Let me make it clear that OMB does not have any objections to the funding levels in this bill—and the funding is within our 602(b) allocation.

Again, I want to thank my colleagues on the subcommittee for their work on this bill. I ask may colleagues to join us in supporting it today.

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

Mr. DIXON. Mr. Chairman, I yield 3 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I want to begin with a special round of gratitude to the chairman, Mr. DIXON, and to the ranking member, Mr. GALLO, for their extraordinary work on the D.C. budget this year. The Chair of the authorizing committee, Mr. DELLUMS and the ranking member, Mr. BLILEY of the District Committee, are due great thanks as well. These gentlemen had to figure out how to keep faith with the landmark Federal formula legislation passed last year in a budget year when all bets are off. They did indeed figure it out. Chairman DIXON, ranking member GALLO and the subcommittee have produced an appropriations bill that leaves the D.C. budget as passed by the city council largely intact.

This was an extremely difficult year for the District which, like virtually every other city, has a shortfall of revenue as a result of an unusually long recession. It was an equally difficult year for the subcommittee, which was faced with a District budget that was precariously balanced, and with a subcommittee shortfall of its own. Most important, it was the first year in which the Federal payment to the District has been determined by a formula. The subcommittee, as a matter of first impression, had to decide what the legitimate components of the formula were. Despite these challenges, the subcommittee managed to meet the District's most urgent needs, including earmarking significant additional funds, $31 million, for Mayor Sharon Pratt Kelly's new anticrime and youth initiatives. Since the Mayor's skillfully balanced anticrime program implicates many agencies of the D.C. government, I trust and believe that the earmarking can be made to track her program initiatives.

Mr. Chairman, I appreciate that the committee has not attempted to tell the District how to solve the crime crisis. Last year, Mayor Kelly took her entire administration through a detailed planning process which produced an excellent package of proposals that seek both short- and long-term solutions to crime. While the subcommittee has required the mayor and city council to submit a joint report detailing the objectives and funding requirements of the Mayor's anticrime program, that information is available, effectively has the council's endorsement through the budget process, and needs only the council's imprimatur before submission to the Congress.

The District of Columbia strives to be free to enact its own budget and laws, and believes its citizens have as much right to the full prerogatives of citizenship as the citizens of the 50 States and that only statehood can assure our rights. Until the day when we enjoy American democracy as other Americans do, there could be no fairer and more diligent oversight of the District's fiscal affairs than that provided by D.C. Appropriations Subcommittee Chairman DIXON, ranking minority member DEAN GALLO, and the members of the subcommittee. Out of respect for the work of the bipartisan team that comprises the subcommittee, and on behalf of the residents of the District, I ask that you let the work of the Appropriations Subcommittee on the District of Columbia stand and support this bill.

□ 1830

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the distinguished gen-

tleman from Virginia [Mr. BLILEY], who is the ranking member of the authorizing committee.

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

Mr. Chairman, I rise in support of H.R. 5517, the District of Columbia Appropriations Act for fiscal year 1993. I commend chairman Dixon and the ranking republican, Mr. GALLO, for their hard work on this bill and their efforts to be fair to the District and to be faithful to the congressional process we established in law just last year.

The predictability of a formula payment had been sought for a number of years. Mr. DELLUMS and I developed the idea into legislation over a long period of time. The Blue Ribbon Rivlin Commission embraced the concept. Finally, this body adopted a Federal formula payment last year on a voice vote and it was signed into law by the President as Public Law 102-102.

While the formula bill was being developed over the years, the District government had acknowledged that a formula based on revenues could be a two-edged sword as a decline in revenues could result in a lower Federal payment. But this possibility was generally discounted. Then along came Operation Desert Shield which caused a severe reduction in the tourist industry quickly followed by an economic slowdown. District revenue projects proved to be wishful thinking and collections dropped substantially. In 1990, the Barry administration had estimated that local revenues for fiscal year 1991 would be $2.77 billion. But now, 2 years later, the actual local revenues are over $175 million lower than expected. The Kelly administration inherited an economic nightmare. Sales and issue taxes, income and franchise taxes, and business licenses and permits all generated less revenue than projected.

The result is that the formula Federal payment, 24 percent of local revenues raised 2 years prior, for fiscal year 1993 is $624.8 million. This is over $5 million less than the fiscal year 1992 payment. While this reduction is a difficult and undesirable circumstance for the District to bear, it is the only proper course for Congress to follow.

I appreciate the willingness of the Appropriations Subcommittee to stick with the formula law we enacted and come to us with a Federal payment that is the actual amount authorized. Let no one be confused about the Federal payment appropriation for the District of Columbia for fiscal year 1993. It is fully in line with Public Law 102-102 and the baseline for the authorized Federal payment is upheld.

H.R. 5517 contains an additional $30 million separate and apart from the Federal payment to combat the unprecedented and unacceptable violent crime rate in our Nation's Capital. In my opinion, this one-time, special Federal contribution to the District for crime and youth initiatives is necessary to restore public safety to the District for all of those who live, work, and visit here.

Anyone who reads the newspapers around here knows that I have been rather outspoken about crime in this city. But as the saying goes, talk is cheap. Congress does have a responsibility to help end the violence. I support this special contribution and I support the subcommittee's efforts to ensure that the money is put to the best possible use by requiring the Mayor to submit an expenditure plan before the funds are released.

I have worked closely with the chairman and the ranking Republican of the subcommittee on this special contribution and I am fully confident that the funds will improve public safety in both the short- and the long-term. I believe the city particularly owes Mr. DIXON and Mr. GALLO its gratitude for going the extra mile to secure these funds.

Mr. Chairman, I support H.R. 5517 and I ask all of my colleagues to join me in supporting passage of this vital funding bill for the District of Columbia.

Mr. DIXON. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to take this opportunity to express my deep gratitude to the subcommittee and particularly to the chairman, the gentleman from California [Mr. DIXON], and the ranking member, the gentleman from New Jersey [Mr. GALLO], for their support on issues that are very important to me and to the metropolitan area including the District of Columbia.

I have worked with the chairman and the subcommittee on several issues including police pay, the police and firefighters' clinic, and the fire department staffing, but there are two critical provisions in the bill which I want to discuss and I believe merit the substantive attention of the Congress. They project the legitimate interests of suburban residents, and they protect the long-term interests of the District of Columbia. There is, for the most part, a strong disinclination to micromanage the District's internal affairs on this committee, a sentiment that I strongly share.

On two issues in particular I believe that the Congress has both statutory and an appropriate practical authority to act, however. The result will be in the long-term best interests of the city and the region.

This bill, as the chairman has expressed, prevents the District of Columbia from using any funds to operate the escape-plagued Cedar Knoll Juvenile Detention Center located in Anne Arundel County, MD, as of June 1, 1993. I had introduced legislation and requested the committee to make that date January 1, 1993. The chairman and the gentleman from New Jersey [Mr. GALLO] both believed an additional 5 months would be appropriate, and I understand and concur in that judgment.

In 1986, Mr. Chairman, the District entered into a consent decree, a decree under the jurisdiction of the D.C. Superior Court, that mandated the facility be closed on or before December 1, 1987, some 5 years ago. It has remained open, frankly, in contempt of that order since that time and, worse, has averaged three to five escapes a month by sometimes dangerous offenders.

The District government has admitted the facility is inadequate. I want to thank and congratulate Mayor Kelly and the very distinguished Representative, the gentlewoman from the District of Columbia [Ms. NORTON], our colleague, whom I might say has done such an outstanding job for the District of Columbia, and is one of the most effective Representatives that we have in the Congress for working to improve short-term security at the facility.

But this facility needs to be closed, and the bill prevents the city from operating it subsequent to June 1, 1993. The bill also precludes, happily, the city from paying the contempt fines that they have paid over the past 5 years.

The second issue I would like to discuss is the provision preventing the city from breaching a 1985 agreement with the suburban users of the Blue Plains waste water treatment facility, an agreement also incorporated in the consent decree and that ended years of protracted litigation.

If the District had gone forward with this payment-in-lieu-of-taxes, the so-called PILOT, it would have reopened a campaign in the sewer wars of the past by levying a tax on suburban residents to help fund the District's general operating expenses. The chairman and our colleagues on the committee reviewed my testimony before the subcommittee, and following their discussions with city administrators, made the judgment that the PILOT was not an appropriate solution to the city's financial difficulties.

In closing, I want to again express my deep appreciation to the gentleman from California [Mr. DIXON], the chairman, and the gentleman from New Jersey [Mr. GALLO], for their willingness to listen, to balance, and to make a fair judgment about our concerns and those of the communities I represent.

Mr. Chairman, I think this is a good bill. I will oppose any amendment to cut further from the funds that have been allocated. I think that the gentleman from New Jersey [Mr. GALLO] is correct: Careful judgments have been made. I am pleased that we have fol-

lowed the formula for the Federal payment, and I think this is a good bill for the District and for the Congress.

Mr. Speaker, I want to express my appreciation to the chairman of the subcommittee, JULIAN DIXON, and the ranking Republican member, DEAN GALLO, for their labors with respect to the bill now before this body.

Although I am no longer a member of the subcommittee, I have seen first hand the long hours, the frustrations, and the complexity of leading the effort to craft this bill, and then defend it before the House. It is difficult. It is often also believed to be thankless, but not entirely so.

I want to express my personal appreciation to the subcommittee, and to Chairman DIXON, in particular, for the attention given to issues that are of concern to me, a few of which affect both the city and local jurisdictions, some of which I represent.

A provision in this bill prevents the District of Columbia from using any funds to operate the escape-plagued Cedar Knoll Juvenile Detention Center, located in Anne Arundel County, MD, as of June 1, 1993.

In 1986, the District entered into a consent decree under the jurisdiction of the D.C. Superior Court—a decree mandating that the facility be closed on or before December 1, 1987. It has, however, remained open and unfortunately has averaged 3 to 5 escapes a month of sometimes dangerous offenders.

The District government has admitted that the facility is inadequate. It is obsolete and poses a safety threat for families who live in surrounding communities like Jessup and Laurel.

Another provision in this bill which relates directly to the residents of Maryland and Virginia, is the stipulation that the city government is not allowed to implement a new payment-in-lieu-of taxes it sought to impose on suburban users of the Blue Plains waste water treatment facility.

The city, breaching a 1985 agreement with the suburban users of Blue Plains that ended years of protracted litigation, and threatening to reopen a campaign in the sewer wars of the past, sought to levy a tax on suburban residents to help fund the District's general operating expenses.

The chairman and our colleagues on the committee reviewed my oral testimony before the subcommittee, and following their discussions with city administrators made the judgment that the pilot was not an appropriate solution to the city's financial difficulties.

The Mayor of the District of Columbia has a tough job, and I want to express my strong support for her efforts and those of the council in trying to improve not only the budgetary problems residents of this community face, but also their genuine efforts to enhance the quality of life in the Nation's capital.

There is a strong disinclination to micromanage the District's internal affairs on this committee, a sentiment that I share. On these two issues, however, we disagree. I believe that the Congress has both the statutory and appropriate practical authority to intervene, and the result, will be in the long-term interests of the city and the region.

There are three other issues which also concern me that relate to the police and fire departments. And I would again like to express my gratitude to the chairman for his interest and responsiveness regarding my concerns:

First, the police and fire fighters clinic, which administered 26,000 medical and surgical treatments in fiscal year 1991 to members of the police and fire departments, was eliminated in the budget approved by the District Council. The council budget included no provision for providing these services to firefighters and police officers, and I appreciate the subcommittee's restoration of funds for the clinic.

Second, the council budget received on the Hill, contrary to the recommendations of its Judiciary Committee, also included a provision eliminating 12 batallion fire chief and assistant chief positions along with one of the 8 batallions protecting the city. I worked with the subcommittee on this issue, and although we did not achieve an ideal solution to this problem from my personal point of view, I am very grateful to the chairman and Mr. GALLO for the subcommittee's strong effort to protect the interests of the residents of the city and the front line firefighting capacity of the department.

The third issue which concerns me is the matter of the arbitration award providing a salary increase to the city's police force. The police, like many other District employees have received no salary increase since 1989. I believe this stringent belt tightening is having adverse long-term consequences on the police force and on public safety. The salaries of District police officers, for example, are lower than those in most area jurisdictions; experienced police officers are thus encouraged to retire or seek employment in higher salaried jobs in other jurisdictions. This particular problem is compounded when you consider that the District is left with less experienced officers.

The subcommittee was able to exercise little flexibility because Federal funds in its allocation were limited, and although I've recommended that the subcommittee take action on this matter, I understand that there is no recent precedent for such direct congressional involvement in salary issues. Given the circumstances, I urge the Mayor and city council to revisit this issue in as timely a manner as possible.

In closing, I want to again express my deep appreciation to Chairman DIXON and to Representative DEAN GALLO for their willingness to listen, to balance and to make fair judgments about my concerns and those of the communities I represent.

I urge every Member to support this bill, and I look forward to working with Chairman DIXON, Representative GALLO and the other members of the committee as we complete action on the D.C. appropriations bill for fiscal year 1993 in the weeks ahead.

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. REGULA], who has been in the forefront of education as far as the District of Columbia is concerned.

□ 1840

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

First of all, Mr. Chairman, I want to commend Chairman DIXON and the ranking member GALLO. They have done a superb job of working on this bill; they have listened to a lot of testimony and really made a dedicated effort to help solve the problems of the city of Washington.

Washington, DC, has all the problems that are characteristic of our cities today, but it has a special role, in that it is the Capital of this Nation. Therefore, I think it is a challenge and a responsibility that we in the Congress share with the city administration to make it a shining example of how we can change our cities and make them more workable, more livable, and improve the quality of life for the residents. It seems to me that this effort to start with the education system. That is the basis for the future, and if we can make changes in the education program in our cities across this Nation, we will take a giant stride toward solving their problems.

I, particularly as a member of the subcommittee, have focused on the education system simply because that is what I see as the future in addressing the needs of our cities and making them more habitable.

I particularly want to mention a few people who I think are doing a superb job. First of all, Mr. McAfee, who is a relatively new director of facilities and maintenance.

School students reflect their surroundings, and if they have a dingy building, if they have classrooms that are not attractive, it has a substantial impact on the learning experience, therefore it is important to start with a suitable school building to have an effective education program. Mr. McAfee has worked hard and provided leadership in trying to make a difference, and he has made a difference based on our observation of some of the buildings. He has recognized the problems. He has made a straightforward

assessment of the needs and he is trying to do something about it; but there are still many problems. I think it is incumbent upon the school administration with the cooperation of the people in the city to close some of the buildings. The school system has far too many buildings to maintain them in a high-quality environment, therefore the only answer would be to close down and consolidate the facilities and make those remaining, attractive for students. This has to be done by getting the school board, the city administration and the people in the communities to cooperate.

I think Mr. McAfee is working on it and the administration is trying.

Second, I think we need to commend the Parents United, because they are picking up the challenge that I have just addressed. Particularly Mary Levy and Delabian Rice-Thurston as leaders of this group working with principals like Ms. Belle who are out there every day trying to make change. They deserve our commendation, because that is the only way we will have improvements in the system.

Also, Superintendent Smith has recognized the need to reduce the number of people who are not teaching and put more in the classrooms. One of the problems as I view the Washington, DC, system is that too many people are not in a teaching role and there is too much expenditure for nonteaching services. There needs to be a change in the ratio of teaching to nonteaching personnel in favor of more teachers.

Another challenge that confronts the administration is that they have in this city two separate administrations for Federal programs, the equivalent of a State system and the equivalent of a city system, so it is redundant and it is duplicative. I think perhaps about 100 positions could be eliminated by merging the systems. I know it takes time to do this. However, the additional resources made available could improve the quality of the experience of the child in the classroom. That is what education is all about.

I know that Superintendent Smith is very much aware of this and is working in that direction.

I want to particularly applaud the superintendent for his efforts to make the curriculum and the length of the school day more relevant.

We hear a lot about the need to give our young people a greater opportunity in the educational experience, and certainly we should recognize that that effort is being made here in the District of Columbia. Hopefully, over the next year or two this will bear fruit in improving the educational experience, and as these young people get greater opportunities, as their course become more relevant, they in turn will be able to participate in the leadership in this community in the years ahead, participate in the economic opportunities, improve their quality of life and perhaps with a lot of effort on the part of the Congress, on the part of groups like the Parents United, on the part of people responsible for the governance of this city, we can at some future time see a city that we can all take pride in, as our Nation's Capital.

Mr. DIXON. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. PANETTA], the distinguished chairman of the Committee on the Budget.

Mr. PANETTA. Mr. Chairman, I rise in support of H.R. 5517, the District of Columbia appropriations bill for fiscal year 1993. This is the 8th of the 13 annual appropriations bills to be considered by the House.

The bill provides $714 million in discretionary budget authority and $724 million in estimated discretionary outlays, which is identical to both the level of domestic discretionary budget authority and outlays as set by the 602(b) spending subdivision for this subcommittee.

I commend the chairman and ranking member of this subcommittee for bringing this bill to the House in a timely fashion.

As chairman of the Budget Committee, I will inform the House of the status of all appropriations bills compared to their 602(b) subdivision as they are considered on the House floor.

I look forward to working with the Appropriations Committee as it completes action on the remaining appropriation bills.

Mr. Chairman, I include the following factsheet:

Factsheet

H.R. 5517, DISTRICT OF COLUMBIA APPROPRIATIONS BILL, FISCAL YEAR 1993 (H. REPT. 102-638)

The House Appropriations Committee reported the District of Columbia Appropriations bill for Fiscal Year 1993 on Wednesday, July 1, 1992. Floor consideration of this bill is scheduled for Wednesday, July 8, 1992, subject to a rule being adopted.

COMPARISON TO THE 602(b) SUBDIVISION

The bill provides $714 million of discretionary budget authority and $724 million in estimated discretionary outlays, the same as the Appropriations 602(b) subdivision for this subcommittee. A comparison of the bill with the funding subdivisions follows:

[In millions of dollars]

	District of Columbia appropriations bill		Appropriations Committee 602(b) subdivision		Bill over (+)/Under (—) committee 602(b) subdivision	
	BA	O	BA	O	BA	O
Discretionary	714	724	714	724	.....	.....
Mandatory[1]	.....	.....	.....	.....	.....	.....
Total	714	724	714	724	.....	.....

[1]Conforms to the budget resolution estimates for existing law.

BA=New budget authority.

O=Estimated outlays.

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992 in House Report 102-556. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in House Report 102-529, the conference report to accompany H.Con.Res. 287, Concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

Following are major program highlights for the District of Columbia Appropriations bill for fiscal year 1993, as reported:

PROGRAM HIGHLIGHTS

[In millions of dollars]

	Budget Authority	New Outlays
Federal payment to the District of Columbia	625	625
Federal contribution to retirement funds	52	52
Crime and youth initiative	31	31
Presidential inauguration expenses	6	6

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in H. Con. Res. 287, Concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank my friend and colleague, the gentleman from New Jersey, for yielding me this time.

Mr. Chairman, 88 percent of the moneys to be appropriated in the District of Columbia appropriation bill are by formula.

The Federal Government is legally obligated to contribute 24 percent of the total revenues the District of Columbia government collected 2 years ago.

This year, that Federal payment is $624 million.

The other 12 percent of appropriated moneys are directed to the police officers' and fire fighters' retirement fund, crime and youth initiatives, the Metropolitan Police Department, and the board of education.

In total, these contributions amount to $83 million.

The retirement fund contribution is more than 60 percent or $52 million of that total.

The budget justifications of the District of Columbia leave Congress without a substantial foothold to weigh the costs incurred in operating the District of Columbia government.

Using a different and apparently less precise budget object classification system than the Federal Government, the District of Columbia's accounting for its direct and indirect costs is simply unacceptable.

Its lack of specificity prevents Congress from meeting its obligations to scrutinize taxpayer dollars.

For example, the committee's report does not address the subject of the District's direct and indirect or overhead costs.

Under operating expenses, the report follows a set format for each agency.

It sets forth the committee's recommendation for staff positions in the first paragraph.

And in the second, it summarizes the agency's mission.

No cost analysis.

No cost control recommendations.

To not have the benefit of the committee's recommendations on how Congress may control costs should be of concern to every Member.

Like many of our own Federal agencies, the District of Columbia government has its share of bureaucratic waste.

That the bill before the House does not offer the Members an opportunity to lend their support to some practical, common sense cost controls is a serious omission.

I say this not in criticism of the Appropriations Committee, but rather to lend additional support to their efforts.

Their task is a difficult one.

To support reform we need a bill that encourages and gives common sense direction to the task of cost cutting.

To achieve that objective, we need better information.

It is my hope that these comments will contribute in a small way to the committee's work with the District of Columbia government on the 1994 fiscal year budget.

□ 1850

Mr. DIXON. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. MCMILLEN].

Mr. MCMILLEN of Maryland. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today in support of H.R. 5517. I am particularly pleased that this bill includes language that will finally close the oft-troubled Cedar Knoll detention facility which is located in my district, Anne Arundel County.

This detention facility has a long history of public safety problems. According to the human services department, 319 youths were lost from January 1988 to January 1989, and on any given day 30 percent of detention facility inmates are missing. Those missing range from juveniles convicted of homicide to lesser charges. These problems hit an all-time high last spring when 11 juveniles escaped the Cedar Knoll facility on 1 night.

This language evolved from legislation which Mr. HOYER, my Maryland colleague, and I introduced earlier this year. This legislation was a response to the D.C. government's failure to bring the facility under control and ensure proper public safety.

Today's language follows years of allowing the District the opportunity to rectify this problem. This youth detention facility has been subject to multiple investigations by the General Accounting Office, the Federal Bureau of Investigation, and the courts. In fact, in 1986, a court consent decree ordered the District of Columbia to close Cedar Knoll by December 1, 1987.

Mr. Chairman, the Cedar Knoll detention facility detains youth which offer real risks to our society and the failure to detain these youths has been a consistent threat to the safety of my constituents. Today's bill finally guarantees that public safety will be ensured. This language achieves the solution which was agreed to by the District of Columbia government in 1986—it closes Cedar Knoll.

I commend my colleague, the gentleman from Maryland [Mr. HOYER], for all his work on this legislation and I urge my colleagues to join us in supporting its passage.

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. DIXON. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. STEARNS].

The CHAIRMAN. The gentleman from Florida [Mr. STEARNS] is recognized for 7 minutes.

Mr. STEARNS. Mr. Chairman, I rise for the purpose of entering into a colloquy with the distinguished chairman of the subcommittee, the gentleman from California [Mr. DIXON].

Mr. Chairman, it is my understanding that the District of Columbia is embarking on a pilot program that includes the distribution of contraceptives to high school students and provides clean needles for intravenous drug users. Is that true?

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

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

Mr. DIXON. I thank the gentleman for yielding.

Mr. Chairman, that is true.

Mr. STEARNS. I am having difficulty, my staff and I, in identifying the funding level for this program and what guidelines and regulations are being formulated for the implementation of the program.

Mr. Chairman, I would like clarification from the committee or the District authorities as to where this appropriations bill contains this program that is being funded.

I would like to know how this program is going to be administered and by whom? Is it the Commission of Public Health? The Alcohol and Drug Abuse Administration? The Preventive Health Care Services Administration?

More importantly, how much is going to be spent on this effort?

Mr. Chairman, could you or the ranking member give this Member assurance that this information is possible to be provided before consideration of the conference report?

Mr. DIXON. If the gentleman will yield further, I would respond to the gentleman by saying this: I will be very glad to provide him with all of the details of both the condom program and the needle exchange program prior to House action on the conference agreement on this bill.

Further, let me just give some background on the programs and some general information about their administration.

Dr. Akhter, the commissioner of public health in Washington, DC, indicated to us that 1 in 57 men in the District were diagnosed with AIDS, 6 times the national average; that 1 in 67 District mothers tests HIV-positive, 10 times the national average. A survey by the Children's National Medical Center on District adolescents seeking care found that 1 in 100 teenage girls, 1 in 75 teenage boys, and 1 in 40 boys between the ages of 18 and 19 were found to be infected with HIV.

What this has meant to the District and what it certainly means to me is that there is an epidemic here as it relates to being HIV-positive or having AIDS.

I think the District should be congratulated for taking, yes, a bold but nevertheless a necessary step to try to bring this epidemic under control.

Therefore, by executive order the Mayor was able to promulgate rules and regulations that would allow for the dispensing of condoms in the public schools. I think it is clear for the record that no one is encouraging sexual intercourse among teenagers. But the fact of the matter is that many teenagers are contracting either AIDS or becoming HIV-positive through sexual intercourse.

So those students in junior and senior high schools, grades 7 through 12, will be dispensed condoms. Also, it is no secret that many of those who are illegally injecting drugs of one form or another have a strong likelihood of becoming HIV-positive and ultimately contracting AIDS.

The number of deaths in the District from AIDS has increased from 1,676 in 1990 to 2,227 in 1991, an increase of 33 percent in the number of deaths from AIDS.

Because of this bleak situation, the District has the strong desire to issue sterile needles, not because they are condoning the use of drugs, but because they want to save lives.

Mr. Chairman, this program is in effect under emergency legislation. Permanent legislation has passed out of the city council and is on the Mayor's desk for her signature. It will have the required layover time here in the Congress.

I will certainly provide the gentleman from Florida with specific information as to the exact method that these condoms and needles are to be dispensed, the costs and who will be in charge of the programs. And I will provide this information prior to the conference as he has requested.

Mr. STEARNS. I want to thank the chairman, the gentleman from Califor-

nia [Mr. DIXON]. I think his outlining of the details will help all Members understand why the program is being implemented, and I want to thank him for getting that information prior to the conference.

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

Mr. STEARNS. I yield to the gentleman from New Jersey [Mr. GALLO].

Mr. GALLO. I thank the gentleman for yielding.

Let me simply say I understand the concerns of the gentleman regarding this program. It is very difficult to figure out the District's budget in its total aspect, particularly where the money for these kinds of programs is located and in what amounts.

I join with the chairman of our subcommittee in assuring the gentleman that we will get that information beforehand, and I thank him for his interest in this serious issue.

Mr. STEARNS. I thank my colleagues for allowing me the time.

Mr. DIXON. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. I thank the gentleman for yielding this time to me.

Mr. Chairman, there is no question whatsoever that H.R. 5517 authorizes taxpayer-funded abortion on demand for the District of Columbia. There is no question whatsoever that the language in the bill reverses current law and that the President will veto this legislation unless the pro-abortion language is removed.

Pro-life members will mount, I can assure you, a vigorous effort to sustain the President's veto.

Of course, the unpleasant fact that some pro-abortionists would like to divert our attention from—and this has been true throughout the years as we have debated this issue—has been an appeal to home rule. I would suggest that respect for home rule is not absolute and certainly does not take precedence over respect for human life.

□ 1900

Mr. Chairman, abortion on demand is the very antithesis of respect for life. It is death. It is child abuse that masquerades as a progressive policy. Every abortion stops a beating heart. Every abortion robs a baby girl or baby boy of a chance to be loved and to love, to learn or read a book, or to sing, or dance, or even to kick a soccer ball. Every abortion robs a child of the most precious gift of all: life.

Members should be advised that abortion methods that would be paid for with tax dollars, if this legislation is enacted, would cut, dismember and rip the innocent child apart. Suction machines 30 times more powerful than the typical vacuum cleaner would be subsidized in order to destroy the child. And there are other equally gruesome methods such as poisoning the baby with high concentrated salt solution or other chemicals, and that is what we are being asked to subsidize in this legislation.

I remain confident, Mr. Chairman, and full of hope that in the end a prudent and a pro-life policy will prevail and the distinguished chairman and my good friend, the gentleman from New Jersey [Mr. GALLO], will bring back to the floor legislation all of us can support and the President can sign.

Mr. DIXON. Mr. Chairman, I yield 2 minutes to the distinguished delegate from the District of Columbia [Ms. NORTON].

Ms. NORTON. Let me say first, Mr. Chairman, that the residents of the District of Columbia do not request abortion on demand. Abortion on demand is recognized nowhere in this country. We wish only what other Americans have the privilege of enjoying.

The gentleman carries his campaign against abortion far from his own district, and yet we have been reminded only in recent days by the Supreme Court of the United States, dominated by members of his own party, that there should be, at the very least, local options on the troublesome question of abortion, and so what we have in the United States is local option for everyone, every one of the 50 States and all of the territories except for the District of Columbia.

Mr. Chairman, it would appear that nothing settles this dispute, not even the decision of the Supreme Court of the United States, which has the final word unless this body approves the Freedom of Choice Act, which I pray it will.

This is a pluralistic country. We will almost surely never be a country where a woman cannot get an abortion anywhere. For this is not the America of the 1950's or the 1960's. This is a new day.

But it is not a new day yet for the poor women of the District of Columbia. Only they, it would appear, have the distinction of being treated more invidiously than any women anywhere else in the United States. It is a shame to have to ask that of the women of the District of Columbia, especially the poor women who will feel a Presidential veto greatest. They should be recognized to have the same right of privacy as all other women in the United States can now claim.

Mr. GALLO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Chairman and my colleagues, just a word about the quality of leadership on this committee. Because of the nature of the whole structure of the District of Columbia home rule, the fact that many of the Members of the Chamber and the other body live inside the confines of the District, because of the crime that has attacked all major cities in America, all major cities, this can be a very passionate debate, and it generally is not because of the quality of leadership here, and I want to just tip my hat to that leadership, the gentleman from California [Mr. DIXON] and the gentleman from New Jersey [Mr. GALLO].

On the issue of abortion, no one, and this has been a great source of comfort to me in a rather passionate debate, no one has ever questioned in my 15-year span here my dedication to this issue on principle and beyond just religious belief or theological conviction, my belief on scientific, and medical grounds and, yes, even sociological grounds.

When I first managed to win a Republican primary in 1976, our bicentennial year, and I have told this story several times using this Committee's debate as a forum to do it, I was driving past the Lincoln Memorial and the Washington Monument, looking at those 50 flags flying for each State, and I heard over the radio that the District of Columbia has become the first city in America where there were more abortions tolerated than live births, and that has gone on ever since 1976. Pretty soon it will be two decades. There were 1,600,000 abortions last year with a piddling, a tragically tiny, 25 to 30,000 adoptions.

Mr. Chairman, something is wrong. If I were of African-American heritage, and I would be very proud of it, I would question country club Republicans who always say, "How we going to feed them?" Economic abortions are the worst of all. It is a form of national suicide, of giving up and saying, "We can't feed these people, so let's kill them," and we cannot go along with infanticide, yet some people say, "So, let's kill them in the womb."

No, I think it will be a proud day when the District of Columbia sets a standard for American women and protects every child born and unborn in this beautiful District that I think is one of the finest cities to visit and live in the world. We are all trying to make it better, but I am afraid this issue of when life begins, when it is really sanctified, when we should respect it, nurture it, and protect it is a debate that is going to be with us as long as this country exists.

Mr. GALLO. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. HOLLOWAY].

Mr. HOLLOWAY. Mr. Chairman, I take the well today to try to instill in the minds of the Members of this House what has happened here in the District of Columbia.

I offered an amendment, and the Committee did not waive the point of order to allow me to offer it, and my amendment simply said it inserted at

the end of page 41 after line 5: None of the funds made available in this Act may be used to implement, or enforce, or administer the District of Columbia's Act 9–188, the Health Care Benefit Expansion Act of 1992.

Now we had received this bill from the District of Columbia. It was transmitted to us on April 28, and I offered a resolution of disapproval, and I went through the procedures that we do here in the House, going to the Committee on the District of Columbia. I guess I would say the deck was stacked, and I was not allowed to offer the bill on the floor.

But I do want to let the House know a little more about what is in this bill. When the Committee is asked to rise, I will ask that the Members vote against the motion to rise. I will ask that the Members vote not to rise in order to allow me to offer this amendment. This amendment, to me, is a direct assault on the family unit of this country and of the world.

Mr. Chairman, this was first called a domestic partnership act, and, when they saw there was opposition to it, it was revised to be a health care bill. It has been portrayed as a harmless way to extend health care benefits. In fact, it would undermine the institution of marriage and will send shock waves through society.

The D.C. act would allow two persons 18 years or older to register with the city as domestic partners, and I want to stop here and tell my colleagues exactly what this does. There is no oversight. Nobody knows if there is actually a domestic partner. As far as I am concerned, a person with a contagious illness could go to someone and say, "I'd like to be your domestic partner. I'd like to go down and register." It is much like getting a parking permit, just as simple. "I'd like to go down and register as your domestic partner to where I can get the benefits of the health insurance of this city."

Now I think that is one of the smaller items, the fact that there is no oversight. I think the fact that disturbs me the most is the fact that both heterosexual, homosexual, lesbian are all allowed to be, and I think they feel very strongly that the original intent of this bill was to make it legal to have same-sex marriages in this country.

I think it is very sad that we would come from our Nation's Capital, and I have to tell my colleagues that I did not come up with this bill to say I want to beat up on anyone. But I had many of the black pastors of this District—and I stress black pastors of this District—come to me and ask me would I please offer this bill because to them it destroyed the families of this District as well as the families of this Nation.

□ 1910

Now, in the committee we tried to bring up the point that the gentleman from California [Mr. ROHRABACHER] was trying to make it a racial issue by saying that the opposition to the bill brought two white Episcopalian priests and Presbyterian ministers to testify for it. We had in my opinion the vast majority of the black ministers in this country in support.

Mr. Chairman, I will close my argument by saying that I hope Members will vote with us for this committee not to rise, and to give an opportunity to offer this amendment. To me it basically stands for what we know is missing in this country, and that is the destruction of the family in this Nation, to say that we no longer have respect, that we no longer differentiate between same-sex relationships and commitments from a man and a woman in a marriage who bring up children and try to teach them right and wrong.

Mr. Chairman, I tell you today, as I stand in this well, I think this is a very important amendment. I think I should have the opportunity to offer it. I think I should have had that opportunity in the Committee on Rules. I was not granted it.

So I would ask this body to vote against the motion to rise and give me an opportunity to offer this amendment, which just says let us retain what this Nation was founded so greatly upon, and that is belief in God and belief that man and woman make a commitment for life through the relationship of marriage.

Mr. DIXON. Mr. Chairman, I yield 2 minutes.

Mr. Chairman, the gentleman from California [Mr. DELLUMS], the chairman of the authorizing committee, took exception to the word "stacked," and I think rightfully so.

Mr. Chairman, the local legislation that the gentleman from Louisiana [Mr. HOLLOWAY] has talked about was approved by the city council and signed by the Mayor on April 15, 1992. It was transmitted to Congress on April 28 of 1992 for the 30-day congressional layover period. The bill was referred by the Speaker to the committee of jurisdiction, the one chaired by the gentleman from California [Mr. DELLUMS]. That committee held a hearing. The committee voted 6 to 3 to defeat the resolution of disapproval. So the bill became law on June 11, 1992.

Mr. Chairman, that process by no means deserves to be described by the word "stacked." And because the Committee on Rules disagreed with the gentleman from Louisiana [Mr. HOLLOWAY], that does not mean the process was stacked. It was all done in an open process where everyone was given the opportunity to make their case.

In my view, and I think in everyone's view, the bill the gentleman is talking about, regardless of his feeling about it, does not discriminate based on sex. The coverage provided by the bill is available to heterosexuals as well as to homosexuals. The bill does not violate the Constitution; it does not violate home rule; and it does not involve a Federal interest.

Mr. Chairman, on those bases, I think we should support the motion to rise.

Mr. Chairman, I yield 1 minute to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have only this to say: I am proud to live in a district which would not exclude people from health benefits based on their sexual orientation. I am proud to live in a district that regards homophobia as unacceptable and as racism and sexism.

Mr. GALLO. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. HOLLOWAY].

Mr. HOLLOWAY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to simply respond to say, of course, one can say it does not discriminate. I made that statement myself.

Mr. DIXON. Mr. Chairman, if the gentleman would yield, I was using the gentleman's words. He said anyone could apply for this; it did not discriminate.

Mr. HOLLOWAY. Mr. Chairman, reclaiming my time, that is correct. It pertains to heterosexuals as well as homosexuals, as well as lesbians and other groups.

Mr. Chairman, basically my opposition to the bill is the fact that anyone can go down and register as a domestic partner. I am simply saying that laws like this destroy the moral structure of our Nation. To say that they were "stacked" probably is a poor use of words, because I guess basically as Republicans, we normally come out on the short end of most affairs. So I guess to say the committee was "stacked" was a poor word to use, because the chairman did give me an opportunity to submit it through the subcommittee as well as the committee. So I was not referring to the chairman as not being fair to me as an individual, but simply saying that we not too often have an opportunity to offer an amendment like this, which I think was worthy to go to the floor and be debated here on the floor.

Mr. Chairman, I simply have to say that if we consider that we are going to move this in, that there are enticements in this bill which would allow it to be offered to businesses, offer them tax exemptions if they will start offering the same type of benefits, I just have to say that maybe I am old, maybe I am an old crony that thinks that our Nation is great because of the greatness of the family and the greatness of the family structure of it.

Mr. Chairman, I do not think anyone that is homosexual can stand here on

this floor and openly tell me that homosexuality is good for the future of America. I do not think anyone can stand here on the floor and tell me that it is good for the future of our country. If they do, I have to argue and say that what made this country great is our Judeo-Christian beliefs, our belief in marriage, our belief in commitment for life. I think this bill totally goes toward destroying that, and I will ask Members to vote to disapprove the motion to rise.

Mr. DIXON. Mr. Chairman, might I inquire how much time is left?

The CHAIRMAN. The Chair advises that each side as 1 minute remaining in general debate.

Mr. GALLO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. DIXON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I yield myself this time just to address the gentleman from Louisiana [Mr. HOLLOWAY]. I understand that the issue the gentleman is addressing is a very emotional one, one that is certainly controversial in our society. However, that is not the issue before us.

The issue before us is whether this community, the District of Columbia, has, as States have, a right to promulgate its own rules and regulations.

Mr. Chairman, from the comments I have heard from the gentleman from Louisiana [Mr. HOLLOWAY], he does not like the District's decision to extend certain health benefits to partners. That is not the issue here today. The issue is whether or not this District has the right to promulgate rules and regulations governing benefits for its citizens. It has decided to do so. It has nothing to do with homosexuality, one way or the other.

Mr. Chairman, in closing let me thank my staff. My chief of staff, Americo Miconi always does outstanding work, and let me also thank Donna Mullins and Mary Porter for their fine assistance, as well as that of all the members of the staff of the full Committee on Appropriations. They are always very professional, very courteous, and very responsive, even in the most difficult of situations and circumstances.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment printed in House Report 102-651, and any amendments thereto, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 1993, and for other purposes, namely:

TITLE I

FISCAL YEAR 1993 APPROPRIATIONS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For payment to the District of Columbia for the fiscal year ending September 30, 1993, $624,854,400, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-3406(a).

FEDERAL CONTRIBUTION TO RETIREMENT FUNDS

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96-122), $52,070,000.

FEDERAL CONTRIBUTION FOR CRIME AND YOUTH INITIATIVES

For a Federal contribution for crime and youth initiatives in the District of Columbia, $30,798,600: *Provided,* That this appropriation shall not be obligated or expended until the Committees on Appropriations of the House of Representatives and the Senate have approved a detailed plan as to the use of these funds.

PRESIDENTIAL INAUGURATION

For payment to the District of Columbia in lieu of reimbursements for expenses incurred in connection with Presidential inauguration activities, $5,514,000, as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 1-1803).

METROPOLITAN POLICE DEPARTMENT

For a Federal contribution to the District of Columbia for the Metropolitan Police Department, $400,000, of which $250,000 shall be for training and continuing education programs and $150,000 shall be for a summer youth program.

BOARD OF EDUCATION

For a Federal contribution to the District of Columbia, $83,000, of which $43,000 shall be for an adult literacy program and $40,000 shall be for a program to teach self-discipline, motivation, and respect in public schools.

DISTRICT OF COLUMBIA INSTITUTE FOR MENTAL HEALTH

For a Federal contribution to the District of Columbia Institute for Mental Health to provide professional mental health care to low-income, underinsured, and indigent children, adults, and families in the District of Columbia, $140,000.

CHILDREN'S NATIONAL MEDICAL CENTER

For a Federal contribution to the Children's National Medical Center for a cost-shared National Child Protection Center, $140,000.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, $115,591,000: *Provided,* That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: *Provided further,* That $10,200,000 of the revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be available for the Mayor's youth and crime initiative, but shall not be obligated or expended until the Mayor submits to the Council a plan for the allocation and use of the funds: *Provided further,* That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further,* That notwithstanding any other provision of law, there is hereby appropriated from the earnings of the applicable retirement funds $10,292,000 to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board, of which not to exceed $400,000 of this appropriation, subject to the enactment of authorizing legislation, shall be used to reimburse the general fund for expenses incurred by the general fund during the fiscal year ending September 30, 1993, in rendering services related to the Retirement Board, including, but not limited to, determining retirement eligibility, calculating pension benefits, preparing and distributing pension checks, filing reports and related activities: *Provided further,* That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further,* That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an item accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, $102,888,000: *Provided,* That the District of Columbia Housing Finance Agency, established by section 201 of the District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2-135; D.C. Code, sec. 45-2111), based upon its capability of repayments as determined each year by the Council of the District of Columbia from the Finance Agency's annual audited financial statements to the Council of the District of Columbia, shall repay to the general fund an amount equal to the appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 years, with a deferral of payments for the first three years: *Provided further,* That notwithstanding the foregoing provision, the obligation to repay all or part of the amounts due shall be subject to the rights of the owners of any bonds or notes issued by the Finance Agency and shall be repaid to the District of Columbia government only from available operating revenues of the Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses: *Provided further,* That upon commencement of the debt service payments, such payments shall be deposited into the general fund of the District of Columbia.

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of 135 passenger-carrying vehicles for replacement only, including 130 for police-type use and five for fire-type use, without regard to the general purchase price limitation for the current fiscal year, $945,951,000: *Provided,* That the Metropolitan Police De-

partment shall maintain a force of not less than 4,889 officers and members: *Provided further*, That $188,200,000 shall be allocated for the Police Officers and Fire Fighters' Retirement Fund and $4,300,000 shall be allocated for the Judges' Retirement Fund: *Provided further*, That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles and the Fire Department of the District of Columbia is authorized to replace not to exceed five passenger-carrying vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: *Provided further*, That not to exceed $500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That the Metropolitan Police Department shall provide quarterly reports to the Committees on Appropriations of the House and Senate on efforts to increase efficiency and improve the professionalism in the department: *Provided further*, That notwithstanding any other provision of law, or Mayor's Order 86-45, issued March 18, 1986, the Metropolitan Police Department's delegated small purchase authority shall be $500,000: *Provided further*, That the District of Columbia government may not require the Metropolitan Police Department to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do not exceed $500,000: *Provided further*, That $299,000 of the amount appropriated under this heading shall be available at the discretion of the Chief of Police for outside training and continuing education programs for the Metropolitan Police Department: *Provided further*, That $150,000 of the amount appropriated under this heading shall be available for the Metropolitan Police Department for expenses necessary for the establishment and operation of a summer youth jobs program under the direction of the Chief of Police: *Provided further*, That funds appropriated for expenses under the District of Columbia Criminal Justice Act, approved September 3, 1974 (88 Stat. 1090; Public Law 93-412; D.C. Code, sec. 11-2601 et seq.), for the fiscal year ending September 30, 1993, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1975: *Provided further*, That funds appropriated for expenses under the District of Columbia Neglect Representation Equity Act of 1984, effective March 13, 1985 (D.C. Law 5-129; D.C. Code, sec. 16-2304), for the fiscal year ending September 30, 1993, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1985: *Provided further*, That funds appropriated for expenses under the District of Columbia Guardianship, Protection Proceedings, and Durable Power of Attorney Act of 1986, effective February 27, 1987 (D.C. Law 6-204; D.C. Code, sec. 21-2060), for the fiscal year ending September 30, 1993, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1989: *Provided further*, That not to exceed $1,500 for the Chief Judge of the District of Columbia Court of Appeals, $1,500 for the Chief Judge of the Superior Court of the District of Columbia, and $1,500 for the Executive Officer of the District of Columbia Courts shall be available from this appropriation for official purposes: *Provided further*, That the District of Columbia shall operate and maintain a free, 24-hour telephone information service whereby residents of the area surrounding Lorton prison in Fairfax County, Virginia, can promptly obtain information from District of Columbia government officials on all disturbances at the prison, including escapes, fires, riots, and similar incidents: *Provided further*, That the District of Columbia government shall also take steps to publicize the availability of the 24-hour telephone information service among the residents of the area surrounding the Lorton prison: *Provided further*, That not to exceed $100,000 of this appropriation shall be used to reimburse Fairfax County, Virginia, and Prince William County, Virginia, for expenses incurred by the counties during the fiscal year ending September 30, 1993, in relation to the Lorton prison complex: *Provided further*, That such reimbursements shall be paid in all instances in which the District requests the counties to provide police, fire, rescue, and related services to help deal with escapes, riots, and similar disturbances involving the prison: *Provided further*, That none of the funds provided in this Act may be used to implement any staffing plan for the District of Columbia Fire Department that includes the elimination of any positions for Administrative Assistants to the Battalion Fire Chiefs of the Fire Fighting Division of the Department: *Provided further*, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: *Provided further*, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for the emergency services involved.

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, $713,675,000, to be allocated as follows: $513,635,000 for the public schools of the District of Columbia, of which $43,000 shall be for the Washington Literacy Council and $40,000 shall be for the Joy of Discipline Program; $98,800,000 shall be allocated for the District of Columbia Teachers' Retirement Fund; $71,995,000 for the University of the District of Columbia, of which $2,000,000 shall be derived from revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992"; $20,978,000 for the Public Library, of which $200,000 shall be transferred to the Children's Museum; $3,527,000 for the Commission on the Arts and Humanities; $4,500,000 for the District of Columbia School of Law; and $240,000 for the Education Licensure Commission: *Provided*, That the public schools of the District of Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver education program: *Provided further*, That not to exceed $2,500 for the Superintendent of Schools, $2,500 for the President of the University of the District of Columbia, and $2,000 for the Public Librarian shall be available from this appropriation for expenditures for official purposes: *Provided further*, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 1993, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area.

HUMAN SUPPORT SERVICES

Human support services, $886,777,000: *Provided*, That $19,015,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That the District shall not provide free government services such as water, sewer, solid waste disposal or collection, utilities, maintenance, repairs, or similar services to any legally constituted private nonprofit organization (as defined in section 411(5) of Public Law 100-77, approved July 22, 1987) providing emergency shelter services in the District, if the District would not be qualified to receive reimbursement pursuant to the Stewart B. McKinney Homeless Act, approved July 22, 1987 (101 Stat. 485; Public Law 100-77; 42 U.S.C. 11301 et seq.).

PUBLIC WORKS

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, $227,622,000: *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

WASHINGTON CONVENTION CENTER FUND

For the Washington Convention Center Fund, $13,250,000.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79-648); section 1 of An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, sec. 9-219); section 4 of An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; Public Law 86-515); sections 723 and 743(f) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (87 Stat. 821; Public Law 93-198; D.C. Code, sec. 47-321, note; 91 Stat. 1156; Public Law 95-131; D.C. Code, sec. 9-219, note), including interest as required thereby, $291,299,000.

REPAYMENT OF GENERAL FUND RECOVERY DEBT

For the purpose of eliminating the $331,589,000 general fund accumulated deficit as of September 30, 1990, $38,342,000, as authorized by section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (105 Stat. 540; Public Law 102-106; D.C. Code, sec. 47-321(a)).

OPTICAL AND DENTAL BENEFITS

For optical and dental costs for nonunion employees, $3,423,000.

INAUGURAL EXPENSES

For reimbursement for necessary expenses incurred in connection with Presidential in-

auguration activities as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973 (87 Stat. 824; D.C. Code, sec. 1-1803), $5,514,000, which shall be apportioned by the Mayor within the various appropriation headings in this Act.

FACILITIES RENT/LEASES

For the purpose of funding costs associated with the rental and leasing of facilities for governmental purposes, $16,682,000.

FURLOUGH ADJUSTMENT

Each agency, office, and instrumentality of the District, except the District of Columbia Courts, shall furlough each employee of the respective agency, office, or instrumentality for one day in each month of the fiscal year ending September 30, 1993, or a proportional number of hours for part-time employees. The personal services spending authority for each agency, office, and instrumentality subject to this section is reduced in an amount equal to the savings resulting from the employee furloughs required by this section, for a total reduction of $36,000,000. The Council shall enact legislation to implement this section which may include but shall not be limited to procedures to ensure that public health and safety functions are carried out.

WITHIN-GRADE SALARY ADJUSTMENTS

Notwithstanding any other provision of law, no employee of any agency, office, or instrumentality of the District shall receive within-grade salary increases during the fiscal year ending September 30, 1993, and no time during the fiscal year ending September 30, 1993 shall accrue toward the waiting period for advancement to the following rate within the grade. The spending authority for each agency, office and instrumentality is reduced in an amount equal to the savings resulting from the adjustments required by this section, for a total reduction of $13,000,000.

CAPITAL OUTLAY

For construction projects, $333,639,000, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58-140; D.C. Code, secs. 43-1512 through 43-1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83-364); An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, secs. 9-219 and 47-3402); section 3(g) of the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved August 20, 1958 (72 Stat. 686; Public Law 85-692; D.C. Code, sec. 40-805(7)); and the National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 320; Public Law 91-143; D.C. Code, secs. 1-2451, 1-2452, 1-2454, 1-2456, and 1-2457); including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: *Provided*, That $8,232,000 shall be available for project management and a decrease of $2,734,000 for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor: *Provided further*, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further*, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: *Provided further*, That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968, approved August 23, 1968 (82 Stat. 827; Public Law 90-495; D.C. Code, sec. 7-134, note), for which funds are provided by this appropriation title, shall expire on September 30, 1994, except authorizations for projects as to which funds have been obligated in whole or in part prior to September 30, 1994: *Provided further*, That upon expiration of any such project authorization the funds provided herein for the project shall lapse.

WATER AND SEWER ENTERPRISE FUND

For the Water and Sewer Enterprise Fund, $251,630,000, of which $39,602,000 shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects, and $12,200,000 collected as payment in lieu of taxes pursuant to the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be transferred to the general fund to provide $10,200,000 for the Mayor's youth and crime initiative, and $2,000,000 for the University of the District of Columbia.

For construction projects, $45,908,000, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58-140; D.C. Code, sec. 43-1512 et seq.): *Provided*, That the requirements and restrictions that are applicable to general fund capital improvement projects and set forth in this Act under the Capital Outlay appropriation title shall apply to projects approved under this appropriation title: *Provided further*, That not to exceed $22,705,000 in water and sewer enterprise fund operating revenues shall be available for pay-as-you-go capital projects.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act for the fiscal year ending September 30, 1982, approved December 4, 1981 (95 Stat. 1174, 1175; Public Law 97-91), as amended, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Code, secs. 2-2501 et seq. and 22-1516 et seq.), $8,450,000, to be derived from non-Federal District of Columbia revenues: *Provided*, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally-generated revenues: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

CABLE TELEVISION ENTERPRISE FUND

For the Cable Television Enterprise Fund, established by the Cable Television Communications Act of 1981, effective October 22, 1983 (D.C. Law 5-36; D.C. Code, sec. 43-1801 et seq.), $2,500,000.

STARPLEX FUND

For the Starplex Fund, an amount necessary for the expenses incurred by the Armory Board in the exercise of its powers granted by An Act to establish a District of Columbia Armory Board, and for other purposes, approved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 2-301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 (71 Stat. 619; Public Law 85-300; D.C. Code, sec. 2-321 et seq.), of which $1,847,000 shall be transferred to the general fund: *Provided*, That the Mayor shall submit a budget for the Armory Board for the forthcoming fiscal year as required by section 442(b) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 824; Public Law 93-198; D.C. Code, sec. 47-301(b)).

GENERAL PROVISIONS

SEC. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

SEC. 103. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately-owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: *Provided*, That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed in the Federal Property Management Regulations 101-7 (Federal Travel Regulations).

SEC. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: *Provided*, That the Council of the District of Columbia and the District of Columbia Courts may expend such funds without authorization by the Mayor.

SEC. 106. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments that have been entered against the District of Columbia government: *Provided*, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31, 1956 (70 Stat. 78; Public Law 84-460; D.C. Code, sec 47-1812.11(c)(3)).

SEC. 107. Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 544 of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Code, sec. 3-205.44), and for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile Delinquency Prevention and Control Act of 1968, approved July 31, 1968 (82

Stat. 462; Public Law 90-445; 42 U.S.C. 3801 et seq.).

SEC. 108. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 109. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

SEC. 110. The annual budget for the District of Columbia government for the fiscal year ending September 30, 1994, shall be transmitted to the Congress no later than April 15, 1993.

SEC. 111. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the House Committee on the District of Columbia, the Subcommittee on General Services, Federalism, and the District of Columbia of the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative: *Provided*, That none of the funds contained in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name and salary are not available for public inspection.

SEC. 112. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-421 et seq.).

SEC. 113. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

SEC. 114. None of the Federal funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

SEC. 115. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: *Provided*, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowing and spending progress compared with projections.

SEC. 116. The Mayor shall not borrow any funds for capital projects unless the Mayor has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

SEC. 117. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

SEC. 118. None of the funds appropriated by this Act may be obligated or expended by reprogramming except pursuant to advance approval of the reprogramming granted according to the procedure set forth in the Joint Explanatory Statement of the Committee of Conference (House Report No. 96-443), which accompanied the District of Columbia Appropriation Act, 1980, approved October 30, 1979 (93 Stat. 713; Public Law 96-93), as modified in House Report No. 98-265, and in accordance with the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3-100; D.C. Code, sec. 47-361 et seq.).

SEC. 119. None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

SEC. 120. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980, approved October 10, 1980 (94 Stat. 1824; Public Law 96-425; 15 U.S.C. 2001(2)), with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon: *Provided*, That this section shall not apply to security, emergency rescue, or armored vehicles.

SEC. 121. (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for level IV of the Executive Schedule under 5 U.S.C. 5315.

(b) For purposes of applying any provision of law limiting the availability of funds for payment of salary or pay in any fiscal year, the highest rate of pay established by the Mayor under subsection (a) of this section for any position for any period during the last quarter of calendar year 1992 shall be deemed to be the rate of pay payable for that position for September 30, 1992.

(c) Notwithstanding section 4(a) of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 79-592; D.C. Code, sec. 5-803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, per diem compensation at a rate established by the Mayor.

SEC. 122. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(3)), shall apply with respect to the compensation of District of Columbia employees: *Provided*, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5 of the United States Code.

SEC. 123. The Director of the Department of Administrative Services may pay rentals and repair, alter, and improve rented premises, without regard to the provisions of section 322 of the Economy Act of 1932 (Public Law 72-212; 40 U.S.C. 278a), upon a determination by the Director, that by reason of circumstances set forth in such determination, the payment of these rents and the execution of this work, without reference to the limitations of section 322, is advantageous to the District in terms of economy, efficiency, and the District's best interest.

SEC. 124. No later than 30 days after the end of the first quarter of the fiscal year ending September 30, 1993, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia the new fiscal year 1993 revenue estimates as of the end of the first quarter of fiscal year 1993. These estimates shall be used in the budget request for the fiscal year ending September 30, 1994. The officially revised estimates at midyear shall be used for the midyear report.

SEC. 125. Section 466(b) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 806; Public Law 93-198; D.C. Code, sec. 47-326), as amended, is amended by striking "sold before October 1, 1992" and inserting "sold before October 1, 1993".

SEC. 126. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code, sec. 1-1183.3), except that the District of Columbia Public Schools may renew or extend sole source contracts for which competition is not feasible or practical, provided that the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated Board of Education rules and procedures.

SEC. 127. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Council pursuant to section 422(12) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(12)) and the Governmental Reorganization Procedures Act of 1981, effective October 17, 1981 (D.C. Law 4-42; D.C. Code, secs. 1-299.1 to 1-299.7). Appropriations made by this Act for such programs or functions are conditioned on the approval by the Council, prior to October 1, 1992, of the required reorganization plans, including but not limited to: the Office of Tourism, the Office of Banking and Financial Institutions, and the transfer of the functions of the Unclaimed Property Unit within the Department of Finance and Revenue to the Office of the Controller.

SEC. 128. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended, the term "program, project, and activity" shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate total of those accounts: *Provided*, That sequestration orders shall not be applied to any account that is specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

SEC. 129. In the event a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended, after the amounts appropriated to the District of Columbia for the fiscal year involved have been paid to the District of Columbia, the Mayor of the District of Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as

are sequestered by the order: *Provided*, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

SEC. 130. Section 133(e) of the District of Columbia Appropriations Act, 1990, as amended, is amended by striking "December 31, 1992" and inserting "December 31, 1993".

SEC. 131. For the fiscal year ending September 30, 1993, the District of Columbia shall pay interest on its quarterly payments to the United States that are made more than 60 days from the date of receipt of an itemized statement from the Federal Bureau of Prisons of amounts due for housing District of Columbia convicts in Federal penitentiaries for the preceding quarter.

SEC. 132. None of the funds provided in this Act may be used by the District of Columbia to provide for the salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiative of 1979, effective March 10, 1981 (D.C. Law 3-171; D.C. Code, sec. 1-113(d)).

SEC. 133. None of the funds made available in this Act may be used by the District of Columbia to operate, after June 1, 1993, the juvenile detention facility known as the Cedar Knoll Facility. The Mayor shall transmit a plan and timetable for closing the Cedar Knoll Facility to the Committees on Appropriations of the House of Representatives and the Senate by January 15, 1993.

SEC. 134. (a) An entity of the District of Columbia government may accept and use a gift or donation during fiscal year 1993 if—

(1) the Mayor approves the acceptance and use of the gift or donation; and

(2) the entity uses the gift or donation to carry out its authorized functions or duties.

(b) Each entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a) of this section, and shall make such records available for audit and public inspection.

(c) For the purposes of this section, the term "entity of the District of Columbia government" includes an independent agency of the District of Columbia.

(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

SEC. 135. (a) None of the funds appropriated by this or any other Act may be used to issue or renew a registration certificate or identification tag for any motor vehicle if unpaid fines, penalities and other costs for traffic violations in the District of Columbia are outstanding against any registered owner of such vehicle or against any authorized user of any vehicle of such registered owner.

(b) Subsection (a) shall not apply to an issuance or renewal if the Director of the Department of Public Works of the District of Columbia—

(1) determines that special circumstances require a waiver of such subsection with respect to such issuance or renewal;

(2) issues such waiver in writing, setting forth such circumstances; and

(3) submits a written notification of such waiver and circumstances to the Committees on Appropriations of the House of Representatives and the Senate and to the governmental agency having authority to approve such issuance or renewal.

SEC. 136. None of the funds made available in this Act may be used by the District of Columbia to impose, implement, collect, administer, transfer, or enforce a payment in lieu of taxes on the Water and Sewer Utility Administration that would increase payments required of suburban jurisdictions in Maryland or Virginia under the Blue Plains Intermunicipal Agreement of 1985.

This title may be cited as the "District of Columbia Appropriations Act, 1993".

TITLE II

FISCAL YEAR 1992 SUPPLEMENTAL DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

For an additional amount for "Governmental direction and support", $3,177,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 560), $5,427,000 are rescinded for a net decrease of $2,250,000: *Provided further*, That of the remaining funds, $1,724,000 shall be for the Mayor's youth and crime initiative in the City Administrator's Office, but shall not be obligated or expended until the Mayor submits to the Council a plan for the allocation and use of the funds, and $476,000 shall be for the Office of Personnel to conduct a management audit of personal and nonpersonal services: *Provided further*, That notwithstanding any other provision of law, there is hereby appropriated from the earnings of the applicable retirement funds an additional $1,694,000 to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: *Provided further*, That of the $10,020,000 appropriated to the Retirement Board from the earnings of the applicable retirement funds, not to exceed $400,000 of this appropriation, subject to the enactment of authorizing legislation, shall be used to reimburse the general fund for expenses incurred by the general fund during the fiscal year ending September 30, 1992, in rendering services related to the Retirement Board, including, but not limited to, determining retirement eligibility, calculating pension benefits, preparing and distributing pension checks, filing reports and related activities.

ECONOMIC DEVELOPMENT AND REGULATION

(INCLUDING RESCISSION)

For an additional amount for "Economic development and regulation", $6,361,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 561), $5,094,000 are rescinded for a net increase of $1,267,000.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for "Public safety and justice", $114,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 561), $22,356,000 are rescinded for a net decrease of $22,242,000.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSION)

For an additional amount for "Public education system", $300,000, of which $260,000 is for the public schools of the District of Columbia and $40,000 is for pay-as-you-go capital projects for the public schools: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 563), $48,000 for the Education Licensure Commission are rescinded for a net increase of $252,000.

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

For an additional amount for "Human support services", $45,565,000: *Provided*, That $2,196,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 564), $3,405,000 are rescinded for a net increase of $42,160,000.

PUBLIC WORKS

(RESCISSION)

Of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 564), $31,308,000 are rescinded.

WASHINGTON CONVENTION CENTER FUND

(RESCISSION)

Of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 564), $560,000 are rescinded.

REPAYMENT OF LOANS AND INTEREST

(RESCISSION)

Of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 564), $2,544,000 are rescinded.

REPAYMENT OF GENERAL FUND DEFICIT

For an additional amount for "Repayment of general fund deficit", $2,245,000.

RESIZING

For the purpose of funding costs associated with the Temporary Appeals Board, downsizing, and early-outs, $5,510,000, to be apportioned by the Mayor of the District of Columbia within the various appropriation headings in this Act from which costs are properly payable.

FACILITIES RENT/LEASES

For the purpose of funding costs associated with the rental and leasing of facilities for governmental purposes, $16,667,000.

CAPITAL OUTLAY

For an additional amount for "Capital outlay", $11,000,000, to remain available until expended: *Provided*, That of the amounts appropriated under this heading in prior fiscal years for the Law School Facility, $10,000,000 are rescinded for a net increase of $1,000,000.

WATER AND SEWER ENTERPRISE FUND

(INCLUDING RESCISSION)

For an additional amount for "Water and sewer enterprise fund", $62,327,000, of which $28,287,000 shall be transferred to the general fund to finance general fund operating expenses: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992, approved October

1, 1991 (Public Law 102-111; 105 Stat. 566), $35,820,000 are rescinded for a net increase of $26,507,000: *Provided further*, That $38,834,000 of the amounts available for fiscal year 1992 shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects instead of $38,006,000 as provided under this heading in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 566).

The following provision under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 566) is repealed: "*Provided further*, That $25,608,000 in water and sewer enterprise fund operating revenues shall be available for pay-as-you-go capital projects."

STARPLEX FUND

For the Starplex Fund, an amount necessary for the expenses incurred by the Armory Board in the exercise of its powers granted by An Act To establish a District of Columbia Armory Board, and for other purposes, approved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 2-301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 (71 Stat. 619; Public Law 85-300); D.C. Code, sec. 2-321 et seq.), of which $584,000 shall be transferred to the general fund.

GENERAL PROVISIONS

SEC. 201. Section 134 of the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (105 Stat. 571) is amended by inserting after subsection (c) the following new subsection:

"(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.".

Mr. DIXON (during the reading). Mr. Chairman, I ask unanimous consent that the bill through line 5 of page 41 be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

The CHAIRMAN. Are there any points of order against the bill? If not, are there any amendments to be offered?

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

Mr. Chairman, I simply want to clarify the fact that we say there are no Federal interests. If my understanding is correct, one-third of the District of Columbia's budget is paid for by the Federal Government. If that is incorrect, it is a portion of the District's budget that is paid for by the Federal Government.

The employees of this city pay 25 percent of their health benefits. The city pays the other 75 percent. Of that 75 percent, we are paying one-third of it.

Mr. Chairman, I am simply offering an amendment that says no Federal funds would be used for this purpose. So I have to say that I think this amendment does fit within this bill. It does apply to this bill. I think I should be allowed to offer it.

Mr. Chairman, I yield to the gentleman from Florida [Mr. STEARNS] for the purpose of entering into a colloquy.

Mr. STEARNS. Mr. Chairman, I rise in support of the Holloway amendment which would prohibit the use of funds to implement the District of Columbia's health care benefits expansion plan. I agree with the gentleman, and I believe he should be allowed to offer his amendment.

Mr. Chairman, I would like to ask the gentleman from Louisiana [Mr. HOLLOWAY], what happens when these domestic partners break up? Will they be required to unregister? What if they do not notify the city that they are no longer domestic partners? How is the city going to be able to seriously enforce such situations?

Mr. Chairman, they clearly are not going to be able to. It will likely result in enormous fraud and abuse of this program.

Mr. Chairman, I would ask if the gentleman from Louisiana [Mr. HOLLOWAY] agrees with that?

□ 1920

Mr. HOLLOWAY. First of all, this is only a 6-month commitment here. Basically you are going down, signing up your domestic partner for a 6 months stay. So this is as we said, it does not discriminate. It allows heterosexuals as well as homosexuals to register for their 6 months. After the 6 months is up, there is no oversight. There is no cutting off. There is no disapproval of any kind during this 6 months. That domestic partner has 6 months of insurance.

After the 6 months is up, they simply go down and either register that same partner or they can register whoever they want to as their domestic partner. I think it is as terrible legislation as I have ever seen.

I think if the people of this District had the opportunity to vote on it, they would declare it to be that terrible, and to me there is no commitment whatsoever in this.

Mr. STEARNS. Mr. Chairman, if the gentleman will continue to yield, I would like to also put into the RECORD a statement from James Cardinal Hickey, the Archbishop of Washington, DC.

He states about this act, "* * * would only encourage and legitimize transitory relationships and discourage the establishment of stable families dedicated to the raising of mature and healthy citizens." I wholeheartedly agree with what his quote is.

Mr. HOLLOWAY. Mr. Chairman, I would just like to say that the bishop came before the cardinal and spoke on behalf of our resolution of disapproval as well as the Committee of 100, a group of pastors that represents a broad perspective of citizens here in the District of Columbia, a majority of the District of Columbia, came and spoke on behalf of the resolution of disapproval.

I think the community here, particularly the Judeo-Christian community, is in strong support of or was in strong support and would love to see this amendment offered. Naturally, there are going to be exceptions to the rule because there are exceptions always in special interests. There are people that come for reasons to lobby. But I think that the amendment that we have offered is fitting here and should have had an opportunity to be offered.

Mr. DORNAN of California. Mr. Chairman, will the gentleman yield?

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

Mr. DORNAN of California. Mr. Chairman, is the gentleman going to try and get a vote?

Mr. HOLLOWAY. We will have a vote on the motion to rise. We will ask Members to vote against the motion to rise, where we will have a chance to offer it. It is a limiting amendment.

Mr. DORNAN of California. Mr. Chairman, if the gentleman will continue to yield, is the gentleman going to ask for a quorum call, if he does not get enough Members to stand?

Mr. HOLLOWAY. Mr. Chairman, yes, we will.

Mr. DORNAN of California. Mr. Chairman, it looks like the membership is going to be involved.

I just want to clarify something for America, Mr. Chairman, if they are listening. Here is where the whole concept of domestic partners breaks down.

Does everybody remember the name of the young sailor, Hartwig, who was blamed for many months for the blowing up of the gun turret on the *Iowa*? Why the Navy appears to have erroneously jumped to that conclusion was that he had bonded a strong friendship that had nothing to do with homosexuality with his bunkmate and put him into a $150,000 life insurance policy.

The reason I bring that up is all my life I have seen women form friendships with other women that had nothing to do with lesbianism. I have seen men, many men, particularly coming out of combat situations, bond.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. HOLLOWAY] has expired.

Mr. DORNAN of California. Mr. Chairman, I move to strike the last word.

Let me close the circle here. I said that I had seen women bond in friendship for life that had nothing to do with sexual contact. And I have seen men, particularly coming out of combat situations, who were so bonded in deep friendship for life, they did not see one another for 10 years, it was like 10 minutes had passed.

Suppose we have two friendships of two young men who go all the way

through college together. They are really close friends, and they go to work for the District of Columbia. And they are both, for the sake of my example, orphans. And they want to apply for this domestic partnership arrangement for health benefits, for hospital visitation, for insurance benefits.

Do my colleagues know what they have to be asked by these great District city officials? Do they have sex? And if they do not have what some people consider immoral, illicit, or perverted sex, let us forget all those adjectives, if they do not touch one another in a sexually intimate way, they do not qualify. So it is the state saying, "If you have a roomie and you want part of this program, you had better have sexual contact with the same sex."

Mr. Chairman, I yield to the distinguished gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding to me.

I would just say to the gentleman, I would rather seek my own time. And if the gentleman is going to conclude this part of the discussion momentarily, the gentleman is prepared to move aside.

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

Mr. DORNAN of California. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding to me.

I had the responsibility, along with our subcommittee, to investigate the U.S.S. *Iowa* incident. Actually, the Navy used very poor judgment in rushing to judgment.

What the gentleman has stated perhaps is a little inaccurate. I just want to clear the record.

The gentleman and I are great friends. We go back many years.

Mr. DORNAN of California. Mr. Chairman, I did say the Navy had rushed to judgment because they could not believe people could be that good of friends.

Mr. MAVROULES. Mr. Chairman, if the gentleman will continue to yield, not exactly for the reasons that the gentleman stated.

If the gentleman would go back into the investigation, he would find they rushed to judgment because of some technical data that they thought they could apply to that young man and his so-called partner. Actually, the insurance policy was $100,000 rather than $150,000. But when they rushed to judgment, they did a great disservice to that young man.

Mr. DORNAN of California. Mr. Chairman, I agree.

Mr. MAVROULES. Mr. Chairman, the point I am trying to make here is that we ought to have an open mind in this Congress. We ought not to be rushing to judgment here. That is what we are doing.

Mr. DORNAN of California. Mr. Chairman, reclaiming my time, the gentleman makes my point. He has cleaned up the inaccuracy.

It was $100,000. But the Navy liaison here told me off the record what triggered their suspicion was a young bunkmate taking out an insurance policy for $100,000.

The point I am making is that friendships like that do exist. But if one files for domestic partnership, they are asked, "Do you have intimate sexual perverted contact with one another? Because if you don't, you are out the door. We only go for the people that have sex."

Mr. MAVROULES. Mr. Chairman, if the gentleman will continue to yield, just so I can clarify another point, if the gentleman was at those hearings, he would have heard from the young man who had the policy out on Mr. Hartwig. When the gentleman heard his testimony, I think it would probably change his attitude on the entire matter. I am not here to be critical. I am here to clarify a point.

Mr. DORNAN of California. That they were not friends anymore. They were not talking.

Mr. MAVROULES. Mr. Chairman, there is a lot more to it.

Mr. DORNAN of California. Mr. Chairman, the point I am making is, we do have, maybe I will use the poet's words "dear and close" friendships that do not involve abnormal or perverted sex. Therefore, the whole domestic partner thing, whether it is the beautiful city by the bay in San Francisco or right here in this gorgeous District of Columbia, it is founded on a fraudulent premise that one must establish illicit sex, what some people consider mortal sinning, or one does not get to qualify with their partner. I rest my case.

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

Mr. DORNAN of California. I yield to the gentleman from Louisiana.

Mr. HOLLOWAY. Mr. Chairman, I just want to clarify my statement. The chairman was fair to me, and I want to restate that. I guess just my frustration of the minority here and knowing that we lose, it seems every time we go to rules, every time we go to committee. So in no way was I not treated correctly by the subcommittee as well as the Committee on the District of Columbia. So the gentleman was very fair to me.

In no way did I intend to lead Members to believe that he handled it in a way that I was not allowed to have mine.

The CHAIRMAN. The time of the gentleman from California [Mr. DORNAN] has expired.

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

□ 1930

Mr. Chairman, I thank the gentleman from Louisiana [Mr. HOLLOWAY] for his explanation, because the reason why I rose earlier to ask the gentleman to yield was because this gentleman takes a great deal of pride in the reputation that I have worked for 22 years to develop and maintain in this institution, and that is one of openness and one of fairness and attempting to deal with my colleagues with dignity.

It is precisely in that manner that I dealt with my distinguished colleague. Mr. Chairman, there is a certain degree of surrealness about this debate. We are not here to be super city councilpersons for the District of Columbia. We are not here to be super Mayors of the District of Columbia. We were elected from our respective congressional districts to come together in the spirit of comity and consensus to address the myriad social, economic problems that confront this Nation and this world.

There are duly elected persons in the District of Columbia more than capable of dealing with the problems that confront people in the District. There is not one Member of this Chamber that would take these steps in any other city in the Nation. They do so in the District of Columbia because of the unique nature of it.

My distinguished colleague, the gentleman from Louisiana [Mr. HOLLOWAY] introduced a resolution of disapproval, which was immediately referred to the District of Columbia. In my capacity as chair of that committee I met with my distinguished colleague, assured him that within the appropriate time frame that the subcommittee and the full committee would address the resolution of disapproval.

Over the years, Mr. Chairman, in order to handle resolutions of disapproval we developed three criteria in looking at the resolution of disapproval, because we said that we should not address the substantive issues.

We have developed three criteria to look at all the resolutions of disapproval.

Question: Does the act of the local government violate the Home Rule Act? In this instance the answer was no.

Does it violate the Constitution of the United States? Even the proponents of the resolution of disapproval did not assert that. The answer at the subcommittee level, in the report to the full committee, the answer: No.

Did it violate the Federal interest? There was some controversy in that regard, but I would suggest, with all due respect to my distinguished colleague, the gentleman from Louisiana, that what the gentleman propounded a few moments ago as being violative of the Federal interest does not address the condition. That is not a substantive argument to the question of whether the Federal interest is violated.

So, Mr. Chairman, we decided that based upon the fact that the Congress of the United States, and an act signed into law by the President precludes us from being city councilpersons, why do the residents of the District of Columbia not have the same rights as any other citizens?

I would respect any person here if they introduced an organic piece of legislation so we could deal with it at a national level. But I believe in democracy, Mr. Chairman. Why then do we trample so powerfully on the rights and prerogatives of the residents of the District of Columbia, who have a Representative that is not even capable of voting on the floor of Congress?

We should preserve and protect the rights of the residents of the District of Columbia with great care. If the gentleman were to introduce an organic piece of legislation so we could debate these matters, I could respect that. I came here to fight. I came here to offer my point of view and let the majority work its will. But to attempt to use a piece of legislation dealing with the District of Columbia to address what otherwise one is not willing or capable of addressing at a national level, because the citizenry of the District of Columbia cannot vote for or against one, I would suggest is an absurd act. In this gentleman's opinion it lacks courage and it lacks dignity. It lacks respect for the rights and the prerogatives of people in this District who are also Americans. The Members do not attempt to raise these questions at the city council and the mayors' levels of the communities in which they serve.

The CHAIRMAN. The time of the gentleman from California [Mr. DELLUMS] has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Why the District of Columbia? We should be a beacon of light to the world. We should be showing the world, trying to emerge and embrace the principles of democracy that we believe in in this country, even in the District of Columbia, and that we believe in people's right to even disagree with us.

The people in the District of Columbia passed an act. That is their right. What makes us so arrogant as to assume that the residents of the District of Columbia, if they did not like that act, they could not take onto themselves the political act of defeating a candidate? Some of us have been defeated here, and in November some more of us will be defeated in here. That is what the process is about. What makes us think we are more intelligent, more moral, and more ethical than people in the District of Columbia who have these rights and prerogatives?

Mr. Chairman, I thank the gentleman for agreeing that this gentleman did not in any way stack anything. We gave them their opportunity. We voted and made our decision. I would suggest that we move beyond this rather absurd and ridiculous debate. We should not be discussing these matters on the floor of Congress against the backdrop of the District of Columbia bill.

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

Mr. Chairman, I think that the sentiments that my colleague, the gentleman from California [Mr. DELLUMS] expressed are equally recognized on this side. However, I think we have also on this side an opportunity to express our sentiments up or down. We can express how we feel.

I think in this case a lot of us on this side are wondering about whether we can promulgate this, whether this kind of policy is good. I think we have a right to comment on it. Frankly, I believe the District of Columbia can come up with a plan that does not legitimize nonlegal partnerships and still extend benefits to uninsured individuals. I think it is a recognizable way to debate this issue on the House floor to talk about it.

I think what the gentleman from Louisiana [Mr. HOLLOWAY] is trying to do is to bring this debate out in the open and try and let the colleagues here understand what is happening with this bill. If we support such efforts like the District of Columbia's Health Care Benefits Expansion Act, we are only wiping our feet all over the institution of marriage and family values.

I would urge my colleagues to support the Holloway amendment, and I guess he will not get his amendment, so I would ask my colleagues to vote no on the motion to rise.

Mr. DORNAN of California. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. Mr. Chairman, I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, if I could just address one thing to my distinguished colleague, the gentleman from California [Mr. DELLUMS], arguably the finest orator in this splendid Hall, once during a debate I said to him something about Selma, AL, and I think he thought I was trying to be clever or cute or smart-alecky, and I was not. I meant it from the bottom of my heart, with all of my conviction, that the road to Selma was not, was not, the road to Sodom. He took exception to it.

Let me add something that I know for a fact, that those great freedom riders bowed to no man. Do you get and capture my drift there? They bowed to no man. They were fighting in God's name, and many of them specifically in the name of their Christian commitment, like the Southern Christian Leadership Council. So I say it with conviction, the road to Selma was not the road to Sodom.

The CHAIRMAN. The Clerk will read the last two lines of the bill.

The Clerk read as follows:

This title may be cited as the "District of Columbia Supplemental Appropriations and Rescissions Act, 1992".

AMENDMENT OFFERED BY MR. MCEWEN

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

The Clerk read as follows:

Amendment offered by Mr. MCEWEN:

Page 41, after line 7, add the following:

TITLE III—GENERAL PROVISIONS

SEC. 301. None of the funds made available in this Act may be used to enforce any prohibition or restriction on the possession or use of mace in the District of Columbia.

□ 1940

The CHAIRMAN. Pursuant to the rule, the gentleman from Ohio [Mr. MCEWEN] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Does the gentleman from California [Mr. DIXON] stand in opposition?

Mr. DIXON. I am opposed to the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from California [Mr. DIXON] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Ohio [Mr. MCEWEN].

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

Mr. Chairman, the amendment made in order under the rule simply is a commonsense amendment. It is a good, sound policy. But most importantly, it does what is right for the law-abiding citizens of the District who have come to work every day in this city, and those great Americans who visit our Nation's Capital.

My amendment would prohibit funds appropriated under this bill from being used to enforce the current prohibition on the possession and use of mace within the District of Columbia.

It has come to my attention that mace was illegal in this city when visitors from Ohio and elsewhere have had it confiscated upon visits to either the White House or our Nation's Capital. In fact, this afternoon, while standing on the Capitol steps, a young lady was tearful, and the conversation turned as to what the difficulty was. She had purchased a can of mace for her carrying keys to keep in her purse just some hours before coming to this city and had it confiscated at the steps downstairs. This is done on a regular, daily basis, thousands of dollars from women in this city who seek to protect themselves when they are here within the city and have it confiscated whenever their purses are opened upon entering any Federal building.

Our staff has been attacked as well as many other people, and we know well the crime situation in the city. Two fe-

male interns were robbed at gunpoint it is stated in our most recent issue of Roll Call.

I think that common sense mitigates that young women especially who are those who tend to use this as a form of protection, especially when walking the streets at night or some other time have a sense of security, at least some permission to use something that would give them a sense of independence.

This amendment has the support of the National Association of Black Women, the Concerned Women of America, the Delta Sigma Theta Sorority, the Honorable Shirley Chisholm of the National Political Congress of Black Women, as well as others.

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

Mr. MCEWEN. I yield to the gentleman from California, chairman of the subcommittee.

Mr. DIXON. Mr. Chairman, I thank the gentleman for yielding.

It would appear that the gentleman's amendment does make good sense. However, I think the District can better promulgate the necessary rules and regulations regarding the carrying of mace by the average citizen.

I know the gentleman has been in dialog with the city council chairman and has received a letter from him indicating that he will immediately not only move on emergency legislation, but will also move on permanent legislation so that your desire and I think the desire of many citizens of the District will be accomplished no later than December 31, 1992. And based on the Council chairman's letter I would ask the gentleman to withdraw his amendment.

Ms. NORTON. Mr. Chairman, will the gentleman yield?

Mr. MCEWEN. I am pleased to yield to the distinguished delegate from the District of Columbia.

Ms. NORTON. Mr. Chairman, I appreciate very much the way in which the Member has handled this matter, and I would ask that Members who have similar concerns raise them in the manner that the gentleman from Ohio has. It may well be that a local initiative can take care of the problem, and I thank the gentleman very much.

Mr. MCEWEN. I thank my colleagues.

Mr. Chairman, I include for the RECORD a letter from Mr. John A. Wilson, chairman of the Council of the District of Columbia with a copy of the proposed law change.

The documents referred to follow:

COUNCIL OF THE
DISTRICT OF COLUMBIA,
Washington, DC, July 7, 1992.

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

DEAR CONGRESSMAN MCEWEN: Enclosed is a copy of a draft bill, entitled "The Legalization of Mace Amendment Act of 1992," which I will introduce at tonight's legislative meeting of the Council of the District of Columbia. I will immediately refer the measure to committee so that the committee can report and mark-up the bill and the Council can schedule two readings on the bill before December 31, 1992. At final reading on this bill, I intend to move identical emergency legislation which will take effect immediately upon signature by the Mayor.

The District, like other large urban jurisdictions throughout the United States, is experiencing an unacceptable number of criminal attacks against innocent persons. I share your concern that these innocent persons have the ability to possess mace and similar compounds designed to ward off attackers. I am glad that you brought your concerns to my attention and I appreciate your deferring action on an amendment to the District's appropriation act to give the Council an opportunity to consider my legislation.

Please be assured that I will do everything that I can do to ensure enactment of this legislation before the end of this calendar year. Please feel free to contact me or Brigid Quinn, Chief of Staff, at 724-8177, if I can be of further assistance.

Sincerely yours,

JOHN A. WILSON,
Chairman.

[Draft Bill]

A Bill to amend the Firearms Control Regulations Act of 1975 to remove mace from the definition of destructive devices to legalize its possession and use in the District of Columbia

Be it enacted by the Council of the District of Columbia, That this act may be cited as the "Legalization of Mace Amendment Act of 1992".

SEC. 2. Paragraph (7)(C) of the Firearms Control Regulations Act, effective September 24, 1976 (D.C. Law 1-85, D.C. Code §6-2302) is amended by adding the following phrase at the end to read as follows: "except that this shall not include the chemical compound identified as mace or by whatever name known;"

SEC. Effective date.

This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto) as provided in section 602(c)(1) of the Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code §1-233(c)(1)), and publication in either the District of Columbia Register, the District of Columbia Statutes-at-Large, or the District of Columbia Municipal Regulations.

If I may, Mr. Chairman, I will read two relevant sentences. It says:

I share your concern that these innocent persons have the ability to possess mace and similar compounds designed to ward off attackers. I am glad that you brought your concerns to my attention and I appreciate your deferring action on an amendment to the District's Appropriation Act to give the council on opportunity to consider my legislation.

Mr. Wilson, as I stated, has introduced legislation to repeal this section of the law here within the District. Our desire as Members of Congress simply is to be able to have people visiting the Capitol without having this confiscated, and the way that is most expedient, and most efficient, and gives the most protection for the sanctity of home rule is what we would like to accomplish here.

So I wish to thank the chairman of the D.C. Subcommittee, the gentleman from California, Mr. DIXON, and also the distinguished Delegate, Ms. ELEANOR HOLMES NORTON, as well as the chairman of the council who have expressed their willingness to have this enacted immediately.

If I may phrase it this way, I would ask the gentleman from California, my understanding is that if we do not act on this tonight and give the D.C. Council time to act, that if the D.C. Council chooses not to act that I will be protected in the right to bring this again before the body, and perhaps in this bill in conference, and that I would be given that consideration.

Mr. DIXON. If the gentleman will yield, that is correct.

Mr. MCEWEN. I thank the gentleman.

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

Mr. MCEWEN. I yield to the gentleman from New Jersey.

Mr. GALLO. Mr. Chairman, I would like to congratulate the gentleman from Ohio for bringing this amendment to the floor. I know that when we were going through the Rules Committee it was the general feeling by both the chairman and myself and other members that we talked to that this legislation was something that was needed for the protection of the individuals that come into the District. And I want to compliment the gentleman for also understanding that the council is going to address this issue. I believe the D.C. Council also feels that there is a need for a change in their law. But I thank the gentleman for bringing this amendment forward.

Mr. MCEWEN. I thank my colleague.

Mr. GREEN of New York. Mr. Chairman, will the gentleman yield?

Mr. MCEWEN. I yield to the gentleman from New York.

Mr. GREEN of New York. Mr. Chairman, I thank the gentleman for yielding and want to compliment him on his willingness to accept this process this evening as he raises this important issue. I hope the gentleman will indulge me for a couple of minutes because I was not able to get to the floor during the debate which just ended on the Holloway amendment.

My feeling is, frankly, that while I have deep respect for my friend from Louisiana, I do feel strongly that family arrangements have changed since 40 years ago.

There was a time when every household essentially had a father out at work, a mother at home raising the children. But the fact of the matter is that is not true today, and that raises significant issues as to how we proceed with health care legislation and other kinds of legislation affecting households.

The late Justice Brandeis once said that one of the great geniuses of our Federal system was that the States were laboratories of social experiment, and I think in this case the District is conducting an important social experiment, though not a State, and under home rule provisions it ought to be permitted to conduct that social experiment. And I think in the end we shall have a great deal to learn in Congress from how that social experiment works out.

So I hope my colleagues will support the motion to rise and oppose the Holloway amendment.

Again I thank the gentleman for his indulgence.

Mr. MCEWEN. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

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

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. MCDADE. Mr. Chairman, I would first like to thank Chairman DIXON, and the ranking Republican, DEAN GALLO, for their unselfish and conscientious efforts on this subcommittee. There is no other bill that demands such patience and dedication while providing so little opportunity to help the constituents back home. This is truly yeoman's work, and I congratulate and take great pride in the efforts of all my colleagues on this subcommittee.

This year was supposed to be the first year that we would not have to wrangle over the amount of the Federal payment to the District.

As mandated by legislation passed last year, the subcommittee calculated a payment of $624.8 million, which is $31 million less than the payment as calculated by the District. I regret that our calculation, approved by both sides here and both sides on the authorizing committee, has drawn criticism from the District, particularly considering the other contributions we have made in this bill, including $31 million to the police department and the mayor's office to combat crime and fund the mayor's youth crime initiative. Considering this year's spending constraints, and the fact that we are cutting many programs this year, I believe this level of spending is very supportive, and should be appreciated by the District.

In addition to the Federal payment and the $31 million for crime and youth initiatives, the bill includes a $52 million contribution to the retirement fund, $5.5 million to reimburse the District for expenses related to preparation, security, and cleanup of President Bush's inauguration in January, $400,000 for the police department, $140,000 for the D.C. Institute for Mental Health, $140,000 for the great work being done at Children's National Medical Center, and $83,000 for two education initiatives in the District.

Mr. Chairman, I'd like to take a minute to share some good news about last year's efforts to improve conditions at the D.C. public schools. After hearing testimony from parents and teachers about dangerous fire code violations and playgrounds that had nothing—not even swings, DEAN GALLO and RALPH REGULA included funds and report language directing that improvements be made. This year, parents and school officials testified that most of the fire violations have been eliminated and that renovations to playgrounds at all the schools will be completed before school starts in September.

These improvements are a victory for DEAN and RALPH and the subcommittee and a great reward for the children and parents in the District.

In conclusion, this bill meets the subcommittee's 602(b) allocation and provides the District with the Federal payment as prescribed by law. Although this bill once again attempts to expand the availability of publicly funded abortions with language guaranteed to invite a veto, I nevertheless support the bill for the purpose of moving it along in the process. Once again, my congratulations to Chairman DIXON and ranking member GALLO for crafting a solid bill.

Ms. PELOSI. Mr. Speaker, I rise in strong support of the District of Columbia's appropriations bill which permits the use of local funds for abortion services. This bill does include language prohibiting Federal funds from being used for abortion services except in the case of the life of the mother but intentionally omits any mention of the use of District funds. I urge my colleagues to support this bill and allow the District to make the decision on how its money is to be spent.

Mr. Speaker, the District of Columbia has been prohibited from using local funds to pay for Medicaid abortions since 1988. This body has since voted twice to repeal the restriction but the President has vetoed the bill both times due to the revocation. We must not allow the President to prevail this year.

This issue is not about abortion or reproductive rights, it is about the right to self determination for a city and an individual. It is about the right of D.C. citizens to think and decide what is best for themselves and their city. Let the residents of the District of Columbia debate this issue and come to a consensus about the options and alternatives that are most appropriate for themselves. I urge my colleagues to grant the District of Columbia the power of self determination and permit them the right to think for themselves. Others in this country are granted this right, the District of Columbia must not be excluded.

I urge my colleagues to vote for this bill and allow the citizens of the District of Columbia to make their own decisions on this important question.

Mr. DIXON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The CHAIRMAN. The question is on the motion offered by the gentleman from California [Mr. DIXON].

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 231, noes, 181, not voting 22, as follows:

[Roll No. 275]

AYES—231

Abercrombie
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Bacchus
Beilenson
Berman
Bevill
Bilbray
Blackwell
Bliley
Boehlert
Borski
Boucher
Boxer
Brewster
Brooks
Brown
Bruce
Bryant
Bustamante
Campbell (CA)
Campbell (CO)
Cardin
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coughlin
Cox (IL)
Coyne
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (TN)
Frank (MA)
Frost
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Green
Guarini
Gunderson
Hamilton
Hayes (IL)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hughes
Jacobs
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moody
Moran
Morella
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Rahall
Rangel
Reed
Richardson
Roemer
Rose
Rostenkowski
Roybal
Russo
Sabo
Sanders
Sangmeister
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Shays
Sikorski
Sisisky
Skaggs
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Stark
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Vento
Visclosky
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NOES—181

Allard
Allen
Andrews (TX)
Armey
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bilirakis
Boehner
Browder
Bunning
Burton
Byron
Callahan
Camp
Carper
Chandler
Clinger
Coble
Coleman (MO)
Combest
Costello
Cramer
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan

Edwards (OK)
Emerson
English
Erdreich
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gekas
Gilchrest
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Hall (OH)
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Hutto
Inhofe
Ireland
James
Kasich
Kyl
Lagomarsino
Lancaster
Laughlin
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison
Myers
Nichols
Nussle
Ortiz
Oxley
Packard
Parker
Patterson
Paxon
Penny
Petri
Porter
Poshard
Pursell
Quillen
Ramstad
Ravenel
Ray
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Skelton
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Staggers
Stallings
Stearns
Stenholm
Stump
Sundquist
Tallon
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—22

Ackerman
Alexander
Anthony
Archer
Bonior
Broomfield
Cox (CA)
Fish
Ford (MI)
Hatcher
Hefner
Horton
Hyde
Johnson (TX)
Jones (GA)
Lent
McGrath
Price
Roe
Schulze
Traxler
Whitten

□ 2008

Messrs. ENGLISH, HAYES of Louisiana, SKELTON, CRAMER, BROWDER, and ORTIZ changed their vote from "aye" to "no."

Mr. AUCOIN changed his vote from "no" to "aye."

So the motion was agreed to.

The result of the vote was announced as above recorded.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCCLOSKEY) having assumed the chair, Mr. MFUME, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5517) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 2010

USE OF UNOBLIGATED MONEYS IN CUSTOMS FORFEITURE FUND

The SPEAKER pro tempore (Mr. MCCLOSKEY). The unfinished business is the question of suspending the rules and passing the bill, H.R. 3562, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. GUARINI] that the House suspend the rules and pass the bill, H.R. 3562, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 173, nays 243, not voting 18, as follows:

[Roll No. 276]

YEAS—173

Abercrombie
Andrews (ME)
Annunzio
Atkins
AuCoin
Bacchus
Berman
Bilbray
Blackwell
Boehlert
Borski
Boucher
Boxer
Brown
Bryant
Campbell (CO)
Cardin
Clay
Collins (IL)
Collins (MI)
Conyers
Cooper
Cox (IL)
Coyne
Darden
de la Garza
DeFazio
DeLauro
Dellums
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Engel
English
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (TN)
Frank (MA)
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Guarini
Hayes (IL)
Hayes (LA)
Hertel
Hochbrueckner
Horn
Houghton
Hoyer
Hughes
Jacobs
Jefferson
Jenkins
Johnston
Jones (GA)
Jones (NC)
Jontz
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Lehman (FL)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Mineta
Mink
Moakley
Mollohan
Moody
Moran
Mrazek
Murphy
Nagle
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Owens (NY)
Payne (NJ)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Price
Rangel
Reed
Richardson
Rostenkowski
Roybal
Russo
Sabo
Sanders
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sikorski
Skaggs
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Staggers
Stark
Stokes
Studds
Swift
Synar
Tauzin
Torres
Torricelli
Towns
Traficant
Unsoeld
Vander Jagt
Vento
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wise
Wolpe
Wyden
Yates

NAYS—243

Allard
Allen
Anderson
Andrews (NJ)
Andrews (TX)
Applegate
Armey
Aspin
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Boehner
Brewster
Brooks
Browder
Bruce
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Carper
Carr
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Condit
Costello
Coughlin
Cox (CA)
Cramer
Crane
Cunningham
Dannemeyer
Davis
DeLay
Derrick
Dickinson
Dicks
Dooley
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Edwards (TX)
Emerson
Erdreich
Ewing
Fawell
Fields
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Green
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hefley
Henry
Herger
Hoagland
Hobson
Holloway
Hopkins
Hubbard
Huckaby
Hunter
Hutto
Inhofe
Ireland
James
Johnson (CT)
Johnson (SD)
Johnson (TX)
Kanjorski
Kasich
Klug
Kolbe
Kolter
Kyl
Lagomarsino
LaRocco
Leach
Lehman (CA)
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Machtley
Marlenee
Martin
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morella
Morrison
Murtha
Myers
Natcher
Nichols
Nussle
Olin
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (VA)
Penny
Petri
Pickett
Pickle
Porter
Poshard
Pursell
Quillen
Rahall
Ramstad
Ravenel
Ray
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Sangmeister
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Skeen
Skelton
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stallings
Stearns
Stenholm
Stump
Sundquist
Swett
Tallon
Tanner
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Upton
Valentine
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Weber
Weldon
Wilson
Wolf
Wylie
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—18

Ackerman
Alexander
Anthony
Archer
Bonior
Broomfield
Fish
Ford (MI)
Hatcher
Hefner
Horton
Hyde
Lent
Roe
Schulze
Sisisky
Traxler
Whitten

□ 2030

Mr. DONNELLY and Mr. MOAKLEY changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

TRANSFER OF FUNCTIONS AND ENTITIES TO DIRECTOR OF NONLEGISLATIVE AND FINANCIAL SERVICES

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the transfer of functions and entities to Director of Nonlegislative and Financial Services pursuant to section 7 of House Resolution 423 be effected not later than September 11, 1992.

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

Mr. THOMAS of California. Mr. Speaker, reserving the right to object, I do so to allow a brief explanation.

Mr. HOYER. Mr. Speaker, if the gentleman will yield, this is simply a unanimous-consent request to extend the time to transfer the functions to a new Administrator, which office was created by House Resolution 423, simply because the search committee has not come up with a nominee. As soon as they do and we can put someone on board, that will be done.

We have extended the time until September 11, 1992. That is 65 days from today. The only reason it is not 60 days from today is because we will not be back from the August recess for the convention.

Mr. THOMAS of California. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1900

Mr. UPTON. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. KOLBE] be removed as a cosponsor of H.R. 1900.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE RESOLUTION 194

Mr. HASTERT. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Resolution 194.

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

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 5518, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES ACT, 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-659) on the resolution (H. Res. 513) waiving certain points of order against the bill (H.R. 5518) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT REGARDING SUBMISSION OF AMENDMENTS ON H.R. 4850, CABLE TELEVISION PROTECTION AND COMPETITION ACT OF 1992

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

Mr. MOAKLEY. Mr. Speaker, the Rules Committee may meet and grant a rule to H.R. 4850, the Cable Television Protection and Competition Act of 1992, in the near future. A request has been made for a structured rule, which would permit only those floor amendments designated in the rule.

Earlier today, the committee circulated a "Dear Colleague" that requests all amendments to the bill be submitted to the Rules Committee no later than 12 noon on Tuesday, July 21, 1992.

In order to ensure Members' rights to offer amendments under the rule that may be requested, they should submit 55 copies of each amendment, together with a brief explanation of each amendment, to the committee office at H-312, the Capitol, by 12 noon on Tuesday, July 21.

WOMEN'S ATHLETICS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, 20 years ago, the Congress voted approval of title IX of the Education Amendment of 1972, which calls for equal access to sports opportunities for men and women who attend colleges and universities that receive Federal funds. But it is difficult to celebrate the 20th anniversary of title IX when there remains so much inequality for women in sports.

Why has it taken so long for many of these colleges and universities to obey a Federal law? It has taken this long because the Office for Civil Rights, the agency responsible for enforcing title IX, has failed to consistently do so. For the past 12 years, Republican Presidents have waged war against civil rights and equal rights for women in sports.

The Office for Civil Rights should simply tell colleges and universities: "Provide equal opportunities for women athletes or be prepared to operate without Federal funds. Period. No excuses."

Title IX paved the way for dramatic increases in female participation in both intercollegiate and scholastic sports. For example, between 1972 and 1981, women's participation in intercollegiate sports increased from 7 to 35 percent. But without enforcement, the early progress has not been sustained.

A recent study by the National Collegiate Athletic Association reveals that while women made up more than 50 percent of the overall student population at division I schools, they made up just under 31 percent of all student athletes. At these schools, women athletes accounted for 30.4 percent of scholarships, 22.6 percent of travel and game budgets and 17.2 percent of recruiting expenses.

Despite such dreary statistics, there are some recent indications that women athletes might get a fair shake in spite of the lack of support from the Office of Civil Rights. The NCAA, the governing body that regulates major intercollegiate athletics, under the leadership of Dick Schultz has shown a willingness to have its member schools comply with title IX or be excluded from NCAA sanctioned events.

The Big Ten Conference, one of the Nation's major college sports conferences, recently approved a gender equity proposal that promises to increase the women's athletics to 40 percent of the conference intercollegiate programs. One of the Big Ten schools, the University of Iowa, has gone a step better. It has set a 5-year goal of 50-50. Washington State University has been recognized nationally as having a model sports gender-equity program. I applaud them all.

It is too bad it has taken two decades for this kind of movement to occur. It is imperative for all universities to now fully commit themselves to nothing short of gender-equity compliance with title IX. Mr. Speaker, I will continue to speak about the need for institutions receiving Federal funds to comply with title IX as we observe the 20th anniversary of this important law.

□ 2040

FOREIGN TAX LOOPHOLES

The SPEAKER pro tempore (Mr. ROWLAND). Under a previous order of the House, the gentleman from Indiana [Mr. JONTZ] is recognized for 5 minutes.

Mr. JONTZ. Mr. Speaker, too many good jobs are leaving our country. We

must end the taxpayer subsidy of this threat to our economy by passing H.R. 5042 to eliminate provisions now in the Tax Code which encourage foreign investment by U.S. corporations.

Today it is very attractive for American businesses to relocate overseas. Encouraged by an ample supply of cheap labor offshore, American companies continue to export jobs at a disturbing rate. This evening I want to call attention to the fact that the U.S. Tax Code actually encourages corporations to go overseas by offering tax breaks and incentives for foreign investment.

Today if a company in Kokomo, IN, dismantles a plant, loads it on railcars, ships it to Mexico and rebuilds it there, any and all costs incurred by the company in relocating the plant are tax deductible as a legitimate business expense. Throwing American workers out of their jobs is not a legitimate business expense and should not be classified as one.

If a company's stockholders want to move jobs overseas, let them pay for it, not charge it to the American taxpayers.

Mr. Speaker, American corporations increased their foreign investment by 10 percent last year to a record $67 billion. But domestic investments by these same corporations rose only one-half of 1 percent. This has been steadily worsening as a trend over several years.

Investments overseas by U.S. corporations rose 19 percent in 1990, 21 percent in 1989 and 24 percent in 1988. United States manufacturing in Mexico increased 30 percent in 1990 and another 20 percent in 1991. Today United States investments in Mexico are at an all time high: more than $1 billion. This is absolutely unacceptable. We are losing too many American jobs to Mexico, Brazil, and other foreign countries. We have to stop providing companies with so many incentives to move American jobs overseas. At the very least we need to make investing in America just as attractive as investing abroad. Our Nation's tax policy should encourage investment at home, not overseas.

H.R. 5042 would eliminate provisions in current tax law that encourage the export of American jobs. This bill would disallow deductions for expenses in moving factories abroad. By forcing corporations to rely on their own funds for the money to relocate, we can discourage businesses from exporting American jobs, not subsidize them.

H.R. 5042 would also eliminate the foreign tax credit provisions in the Tax Code.

If a firm conducts its overseas investment through a subsidiary corporation chartered abroad, it can defer the payment of U.S. taxes on its overseas income indefinitely. The U.S. foreign tax credit provisions permit U.S. firms to credit foreign taxes they have paid against the U.S. taxes they would otherwise owe on that foreign-source income. If a company pays income tax in Indiana or Georgia or any other State, it is allowed a tax deduction as a business expense. But if that company pays income tax in Mexico or France or any other country, it can credit every penny paid against United States Federal income tax. This is just not right. A company should be able to deduct income tax paid to another country as a business expense, not as income tax already paid. Under the present Tax Code, we are asking the American taxpayer to pay the tax bills of the corporations that abandoned them. We are telling those companies that it's OK to export jobs to other countries—that we will even pay their American income taxes while they are gone. Those companies move overseas, acquire inexpensive labor, export their products back to us at higher profits and we will pay their Federal income tax. Income taxes paid to other countries do not benefit the American people; they benefit the foreign government. Those taxes are expenses, not receipts for U.S. taxes already paid—they should be deductions, not credits.

Most economists agree that CEN or capital export neutrality is the correct policy for foreign income taxation. This is based on the idea that the most important goal for U.S. taxation of international income is to remove tax considerations as a factor influencing siting decisions of American corporations. The goal is a set of tax rules that guarantee U.S. companies pay the same taxes no matter where they locate their plants. This is not the case, regrettably, under present tax law.

H.R. 5042 reforms the current tax laws of our country to benefit the American taxpayer, not the businesses which export jobs looking for cheap labor. That U.S. tax policy should encourage and support the creation and retention of American jobs is unconscionable. Our tax policy favors moving jobs overseas rather than favoring investment in the United States here at home. This legislation would help turn around that situation, keep American jobs for American workers.

Cumulatively, U.S. corporations have $1.5 trillion invested overseas. With an unemployment rate of almost 7.8 percent, we would be well-served if only a fraction of this investment were redirected to the United States. I believe H.R. 5042 can do just that, and I urge my colleagues to support the bill.

YUGOSLAVIA: THE TRUTH AT LAST

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, today the New York Times lead editorial headlines "Croatia, the Butcher's Apprentice." The editorial which I will read into the RECORD states:

> While strongman Slobodan Milosevic carves up most of the tiny neighboring republic of Bosnia, Franjo Tudjman of Croatia is trying to slice off his own slab.

At last. The truth is coming out.

For over 6 months, Mr. Speaker, I have come to this floor trying to call attention to the many factions responsible for the terrible fighting not only in Bosnia but earlier in Croatia. I have warned that putting pressure and blame on the Serbs alone would not stop the fighting since they were not the only combatants and not the only invaders of Bosnian soil.

There has been evidence aplenty—for at least 3 months—of Croatian soldiers fighting inside Bosnia, seizing villages and territory for the flag of Croatia, and of being supplied with arms from Germany.

These intentions were telegraphed before Bosnia-Hercegovina was recognized, and in the hullaballoo created at the time that fighting erupted in Bosnia, the counsel of former Secretary of State Cyrus Vance that Bosnia-Hercegovina not be recognized was forgotten.

Experienced hands realized that once Bosnia-Hercegovina was on its own, ethnic rivalries would break out—that any Serbian move would trigger a Croatian countermove or vice versa, and that the Moslems would be jumping in the middle, and finally, that every one of them would be fighting each other.

Secretary Vance feared this and counseled against it, but when European nations began to interfere—first with our recognition of Bosnia-Hercegovina and then, most recently, with sanctions against Serbia—rather than leading, the United States followed into the maelstrom.

Knowledge of the area, its history, and its people would have suggested that any sanctions enacted to stop the fighting would have stopped the supplies of arms and munitions to all combatants coming from any nation.

But, at the time of the sanctions, the Western press, particularly the American reports, rarely mentioned the Croatian involvement and certainly no mention was made of their territorial conquests.

As a matter of fact, Mr. Speaker, the news stories that came out after the sanctions were voted by the U.N. pointed out that a report of the U.N. pointing to the violations of Croatia had been hidden, had been covered up. And the Security Council was not given the opportunity to have it before they voted.

□ 2050

However, this oversight was compounded by the attitude of some of the staff in the United States Embassy in Belgrade, quoting an American citi-

zen, Mrs. Margaret Ann Jevtic, on the treatment she received—as a refugee from Sarajevo—from the United States Embassy in Belgrade.

This is a story written by John Shatlan, a freelance writer living in Belgrade, Yugoslavia, and its headline is: "U.S. Embassy in Belgrade Shocks, Angers Americans."

It starts out with:

"I'm so angry I don't care if I ever go back there," said the feisty American woman referring to the U.S. Embassy in Belgrade, Yugoslavia. Margaret Ann Jevtic, 53, who was born in Arizona, lived in California, but who fled war-stricken Sarajevo recently with her husband Rajko and their Yorshire terrier, Toshia, said her visit July 1 with the U.S. Embassy's Counsel General Robert Tynes triggered shock, anger, and tears. Mrs. Jevtic says Tynes said it was his recommendation that all Americans leave Yugoslavia. And he recommended that she also leave.

"His aggressive, arrogant attitude caught me off guard," she said. He blamed everything on the Serbs and didn't want to hear about injustices committed by others. "If Serbia is so bad, what are you (Tynes) still doing here," she thought.

I went there as an American citizen to see what help they could offer me as a refugee from the old section of Sarajevo and to report on Muslim injustices, she said. (The Jevtics were forced from their Sarajevo home in May due to deteriorating events: Their lives were threatened by a Muslim civilian. They were harassed by some Muslim police. Their family Kiosk Grill business was destroyed. And their car badly damaged. Recently Mrs. Jevtic learned a mortar shell penetrated the roof of their Sarajevo house but luckily the shell did not explode. Another shell killed their Bosnian hunting dog.)

I told Tynes Muslim police moved Muslims into our home in Sarajevo, as well as moving four Muslim families into my brother-in-law's home there. Mrs. Jevtic said Tynes' answer of what could be done about that was: "* * * write to Izetbegovic, write to Bush, write to Tudjman, and write to Karadzic." I told him that the Serbs weren't the only ones fighting in Bosnia, but he said "Yes, they are."

I could see soldiers firing mortars from a park in Sarajevo controlled by Muslims, but he said, "That is not true." Mrs. Jevtic, who is now living with her husband's relatives in Belgrade, said Tynes told her the Serbians are the only ones that have those guns and are shelling apartment buildings, hospitals, etc. in Sarajevo.

"What about the Croatians shelling Trebinje," she asked. "I don't want to hear about that," Tynes reportedly said.

He (Tynes) tells me only the Serbs have those guns, and I know the Muslims shelled Osmice, a small private hotel in Sarajevo, for four days because they claimed Chetniks were there.

She said Tynes told her: "There are barbarians in the hills around Sarajevo."

Apparently the Counsel General of the U.S. Embassy only believes the Western press, she said. Mrs. Jevtic thinks there is far too much bias against the Serbs in the media. For example, "Dan Damon of Sky News, in my opinion, is not a fair reporter," she said, "as he often only reports from one side." She recalled Sky News apologized for incorrectly reporting that Serbs had killed Muslims in the village of Olovo (when the reverse was true), though the damage to Serbia had already been done. Earlier reports that the Sarajevo Hospital had been bombed were also inaccurate, Mrs. Jevtic said, as she called a relative who was a patient there who said it had not been.

According to Mrs. Jevtic, Tynes told her: "Serbs are making Muslims leave their villages of 500 to 600 years." She responded by saying Serbs have lived there equally as long and that her husbands family was in Sarajevo over 350 years. "The Serbs are entitled to as much area as the Muslims," Mrs. Jevtic said. "Bosna is not just a Muslim area."

"Before the embargo against Yugoslavia, why was Boutros Ghali's letter sharing blame held back for 2 days before the U.N. vote." Mrs. Jevtic asked. She thought it was too much of a coincidence when T.V. cameras just happened to be at the site of two recent bombings—the Breadline and Titov St. tragedies—in Sarajevo. Mrs. Jevtic is one of the few Americans who experienced the war in Sarajevo. The war broke out there April 10 and the Jevtics escaped by car to nearby Pale before arriving in Serbia on May 19.

But when it comes to the U.S. Embassy in Belgrade, Mrs. Jevtic has no intentions of going back soon. Because she doesn't feel that she was treated fairly. "I cried for two days after visiting there," she said. "When I'm angry, I cry."

Mr. Speaker, I refer to the editorial that appeared in the New York Times this morning. As I said, the headline on it is "Croatia, the Butcher's Apprentice."

[From the New York Times, July 8, 1992]

CROATIA, THE BUTCHER'S APPRENTICE

Croatia, once seen as a victim of Serbian aggression, has now become a villain itself. While the Serbian strongman Slobodan Milosevic carves up most of the tiny neighboring republic of Bosnia, Franjo Tudjman of Croatia is trying to slice off his own slab.

His brazen lawlessness threatens to throw away what little international good will Croatia may have built up. If Mr. Tudjman does not withdraw his troops from Bosnia, he will deserve a stern international rebuke, including sanctions as tough as those imposed on Serbia.

Croatia's troops, which have held onto Croat-dominated areas of Bosnia near its borders, have now stormed into the interior and seized Mostar, a scenic city of Muslim mosques and Turkish bridges that is populated by Slavs of all backgrounds—Muslim, Serbian and Croatian. They're also moving on Sarajevo, still besieged by Serbian troops, putting U.N. peacekeepers in an even more precarious position.

As part of his expansionist program, Mr. Tudjman has encouraged Croats in Croatian-occupied Bosnia to proclaim their own "independent" republic, opening the way to incorporating that piece of Bosnian territory into Croatia at the expense of Muslim Slavs, the country's largest group.

Meanwhile, the United Nations is trying its best to prevent Bosnia from being carved up. It's not about to let Croatia become the protector of Croats in Bosnia, any more than in can permit Serbia to be the savior of Serbs there.

Within Croatia itself, Mr. Tudjman has unleashed his army against Serbian villages in the region of Krajina, disrupting the fragile cease-fire in the area. For that bit of bloody-mindedness he has justly earned the condemnation of the U.N. Security Council.

A statesman would seek to reassure the Serbs who still reside in Croatia by prosecuting violations of their rights. But Mr. Tudjman is instead encouraging the expulsion of Serbs from some Croatian-held areas. That means Serbs won't feel safe without a sustained international police force throughout Croatia.

Mr. Tudjman is behaving like the Communist general he once was, not the democrat his supporters like to portray. He's muzzling what's left of the independent press in Croatia by threats of imprisonment, and stifling election opponents by denying them television time.

Mr. Milosevic, the Serbian dictator, surely deserves the bulk of the blame for turning Bosnia into a slaughterhouse. He may be the butcher of Bosnia, but Franjo Tudjman is now his blood-spattered apprentice.

It is a sorry story, Mr. Speaker. The only thing that we can say, the bright light is that the humanitarian aid airplanes have been getting into Sarajevo Airport. There is a lot of humanitarian aid being received there that is helping the citizens. The roadways are reported to be open so that the convoys can go through. There is a lot of work that needs to be done, but I am glad that at long last people are realizing that it is more than just one group that is creating the problems there.

At this point I include for the RECORD another story of Monday, July 6, from the New York Times; one from the Baltimore Sun of July 3; and an editorial from the Washington Post of July 7, 1992:

[From the New York Times, July 6, 1992]

CROATS CLAIM THEIR OWN SLICE OF BOSNIA

(By John F. Burns)

SARAJEVO, BOSNIA and HERZEGOVINA, July 5.—With nearly two-thirds of this newly independent state already occupied by Serbian nationalists who have proclaimed their own republic, Croatian nationalists have delivered a major blow to the Bosnian Government by declaring their own independent state on the remaining third of the territory.

The move on Friday by the Croats, who are Bosnian citizens with strong links to the Government of the neighboring state of Croatia, has come at the worst possible time for the Government of President Alija Izetbegovic. With Serbian forces surrounding the capital, Sarajevo, Mr. Izetbegovic has been left in effective control of only the heart of Sarajevo, and a few provincial towns, the most important of which is the industrial center Tuzla, also besieged by Serbian forces, about 50 miles north of here.

If sustained, the proclamation of an independent Croatian republic within the borders of Bosnia and Herzegovina, coupled with the declaration of a Serbian republic by Serbian nationalists in May, would mean the effective partitioning of this country between national groups whose eventual aim is to annex portions of the republic to Croatia and Serbia. The main losers would be the Muslims, who make up 51 percent of the population of 4.4 million.

MUSLIMS HAVE SUFFERED

The Muslims, descendants of people who adopted the faith during four centuries of rule by the Ottoman Turks, have already suffered huge losses in the three-month war launched by the Serbian nationalists, with as many as 50,000 people killed and wide swaths of property destroyed.

The Serbs' campaign of "ethnic cleansing" has driven nearly half a million Muslims

from their traditional stronghold in western Bosnia, and the new Croatian republic would make them a minority in the southern, western and northeastern regions claimed by the Bosnian Croats. The Croats make up 17 percent of the population of Bosnia and Herzegovina.

As many Muslim Slavs have feared since the Yugoslav federation began to disintegrate last year, the division of Bosnia and Herzegovina between Serbs and Croats would be the end of the Muslims' hope of being the dominant partners in the state. It would also raise more fundamental questions about the Muslims' survival.

"Does this mean the end of us as a people," one senior Bosnian Government official said after an emergency meeting called here to discuss the proclamation of the Croatian republic.

Also cast as a loser, if Croatian moderates are unable to reverse the proclamation, would be the large numbers of Bosnian Serbs and Croats who have hoped that a multi-ethnic democracy might somehow survive the war—a partnership patterned after Sarajevo itself, where Muslims, Serbs and Croats are living intermingled under siege.

Both the Serbian and Croatian republics declared by the nationalists in Bosnia and Herzegovina have adopted laws intended to make them preserves of the dominant local group, with powers to punish other groups.

REPUTED TO BE ARMS DEALER

The Croatian leader who declared the new Croatian republic to be called the Community of Herzeg-Bosnia, is Mate Boban. Mr. Boban, in his early 50's, is a businessman who senior Bosnian officials said had made millions of dollars as a weapons supplier to Croatian forces during the fighting between Croatia and Serbia last year.

In declaring the new republic, Mr. Boban is widely thought to have acted as an agent of Franjo Tudjman, the President of Croatia, who has made no secret of Croatia's territorial ambitions in Bosnia and Herzegovina. Mr. Tudjman, along with many Croation nationalists, has taken the view that Muslims here are Croats, a contention that many Muslims dispute.

Last autum, Mr. Tudjman met in Serbia with the Serbian President, Slobodian Milosevic, and officials of the two governments let it be known that an understanding had been reached on the partitioning of Bosnia and Herzegovina.

After Bosnia and Herzegovina's independence was formerly recognized by the United States and the 12-nation European Community in early April, partitioning was impeded by a fear of international repercussions. But Serbia went ahead with a military offensive here, attributing responsibility to the Bosnian Serbs, and Croatia dispatched its regular army to support Bosnia Croats in their battles with Serbian forces, particularly in southwestern and northeastern parts of the republic.

Mr. Boban emerged as the leader of a 30,000-man army of Croats and Muslims called the Croatian Defense Council, but it was armed, trained and financed by Croatia.

Because the Croats were fighting the Serbian nationalists, who were regarded as the principal threat to the Muslims, Mr. Izethegovic, the Bosnian President, announced as recently as a month ago that he had worked out an understanding with Mr. Tudjman under which the Croatian Army was fighting on Bosnian territory with Bosnian permission.

But behind the scenes, the Bosnian President was coming under intense pressure from Mr. Tudjman and from his own associates who wanted Mr. Izetbegovic to commit the Bosnian Government to joining a confederation with Croatia.

This would place 1.9 million Muslims from Bosnia in a nation in which there would be nearly six million Croats, who are overwhelmingly Roman Catholic. It would also complicate, if not permanently block, a reconciliation between Muslims and Serbs that might open the way for hundreds of thousands of Muslim refugees to return to their homes along the Drina River valley in eastern Bosnia, from which they have been driven by Serbian forces.

For those and other reasons, Mr. Izetbegovic has resisted the pressure from Croatia. But about two weeks ago, he received what amounted to an ultimatum from Mr. Boban: that if he did not join with Mr. Tudjman, the Croatian President, in proclaiming a confederation, the Croatian forces fighting here would not come to the aid of Sarajevo from strongholds as close as 25 miles away.

Mr. Boban's troops are more numerous and better equipped than the Bosnian Government's defense forces, and, unlike the Government forces, have lots of tanks and other heavy armor.

For two months, Mr. Boban increased the pressure by blocking shipments of arms and ammunition that the Sarajevo Government, working around a United Nations embargo on all arms shipments to the former Yugoslavia, had secretly bought. Last week he seized 38 truckloads of weapons and ammunition that had been traveling toward Sarajevo at the town of Busovaca, about 40 miles northwest of here. Senior military officials have said that the Sarajevo defenses will collapse in a matter of weeks without fresh ammunition.

The territory claimed by Mr. Boban for the new Croatian state is composed primarily of a region about 80 miles deep and up to 70 miles wide that encompasses most of Herzegovina, along the western and southern flank of this republic, and additional areas, including a section of Sarajevo called Stup, which lies east of Herzegovina in the Sarajevo region.

The new state also claims the Posavina region in northeastern Bosnia, adjacent to Croatia.

[From the Baltimore Sun, July 3, 1992]

EARLY RECOGNITION OF BOSNIA FUELED VIOLENCE, SERBIAN DISSIDENT SAYS

(By Mark Matthews)

WASHINGTON.—A Serbian opposition leader charged yesterday that American and European recognition of Bosnia-Herzegovina in April doomed prospects of agreement among its three ethnic groups and thus contributed to the current fighting.

"Premature recognition of Bosnia-Herzegovina by Europe and the United States in large measure contributed to the unfortunate situation we see today," Dragoljub Micunovic, president of Serbia's Democratic Party, said in an interview.

At the time of recognition, agreement was "within reach" among Bosnia's Serbs, Croats and Muslims at European Community-sponsored talks in Portugal. Mr. Micunovic said. The talks, aimed at setting up Swiss-type cantons, collapsed the same week.

The United States also failed to take into account the effect on the Yugoslav army based in Bosnia, he said. After recognition, part of the army was withdrawn to Serbia. The rest became a force acting in behalf of Bosnian Serbs and no longer totally under Belgrade's control, he said.

The United States in fact argued for keeping Yugoslavia intact as its member republics prepared to secede, and lagged behind the Europeans for several months before recognizing Croatia and Slovenia. It recognized those two independent republics and Bosnia-Herzegovina at once. The EC recognized an independent Bosnia the day before.

Mr. Micunovic nevertheless said the United States should have clung to its one-Yugoslavia policy longer.

"No question Yugoslavs were the main villains," he said. But the U.S. policy shift "contributed" to the strife.

Mr. Micunovic leads a long-suppressed party founded in 1901 that was reconstituted in 1990 and now forms the largest opposition parliamentary group.

A dissident since his youth, he was imprisoned for 1½ years by the Tito regime in 1949. His visit to Washington this week included meetings with Deputy Secretary of State Lawrence S. Eagleburger, the National Security Council's top European expert, David C. Compert, and House Majority Leader Richard A. Gephardt.

His criticism of U.S. policy drew only a mild response yesterday from a State Department official who has followed Yugoslav developments.

"These are important arguments that we need to hear," the official said, reflecting the U.S. government's frustration in trying to influence events in the former Yugoslavia and an unwillingness to debate past events.

But the official took issue with Mr. Micunovic's suggestion that the Serbian army in Bosnia wasn't led by Belgrade. "The primary responsibility for this violence resides in Belgrade. It has organized and supplied these forces," he said.

United Nations-imposed sanctions, Mr. Micunovic says, hurt the populace more than the regime of Serbian President Slobodan Milosevic. If prolonged, they could have a "devastating effect" with unintended consequences: "Dissatisfaction might get out of control. It's conceivable Milosevic could be replaced by something worse."

In his meeting with Mr. Eagleburger, Mr. Micunovic pressed for a peace conference on Bosnia-Herzegovina that would include its warring ethnic groups and representatives of Serbia and Croatia. The aim, he said, should be a federation or confederation, with autonomy for Croat- and Serb-dominated areas.

With rising domestic discontent and growing opposition even among Mr. Milosevic's fellow Socialists in parliament, the Serbian president is "politically dead" and won't remain in power at year's end, Mr. Micunovic claimed.

The Bush administration is far less confident.

"As long as he controls the army—or the army controls him—he'll stay in power," the State Department official said.

[From the Washington Post, July 7, 1992]

THE STAKES IN BOSNIA

A bitter irony unfolds in Sarajevo. Just as the United Nations opens up a humanitarian air bridge to the beleaguered city, the country—Bosnia—of which it is the capital is disappearing. Two-thirds of its territory is held by Serbs, who have proclaimed an independent ethnic Serbian state that looks to federation with Serbia. The other third is held by Croats, who have now proclaimed their own independent ethnic Croatian state that looks to federation with Croatia. Muslims, the largest community in Bosnia and the one with the most to gain from keeping Bosnia multi-cultural and multi-religious, have

been killed in the thousands, uprooted in the hundreds of thousands and reduced territorially and politically to near zero.

In the West, Serbia is commonly seen as the villian of the Yugoslav piece. Certainly the extremist government of Slobodan Milosevic so deserves. But do not overlook the extremist Croatian government of Franjo Tudjman. It has enjoyed largely uncritical favor on the basis of lying on the Western, anti-Communist, Christian side of Yugoslavia's cultural divide. But, in fact, President Tudjman has conspired as an equal with President Milosevic to carve up Bosnia, although his depredations are less well known.

Bosnia now is close to being erased from the map. Increasingly in respect to Yugoslavia the policy question is framed as a choice between military intervention and hand-wringing. But there are other alternatives. Right now the seven most powerful nations of the world, democracies all, are meeting in Munich; Boris Yeltsin is about to drop by. The eight could make the simple electrifying statement that they will not accept as a fact the forceful disappearance of the state of Bosnia, any more than they accepted the eradication of Kuwait. They could extend to Croatia the economic sanctions now in force against Serbia, and on the same grounds of a violation of a basic international rule compelling one nation to respect another's territorial and political integrity.

Let no one imagine that Muslim Bosnians, swallowed by Serbia and Croatia, will go gently into the night. The carving up of Bosnia means virtually endless war there and the almost certain escalation of Kosovo and Macedonia. Up to now it has been a matter of the relative standing of this ethnic group or that. Now it becomes a matter of the fate of nations. Coming to grips with the change is the task before the eight at Munich.

□ 2100

CREATION OF A NATIONAL EARTHQUAKE INSURANCE AND HAZARD MITIGATION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 60 minutes.

Mr. DREIER of California. Mr. Speaker, over the past week and a half my State of California, and specifically southern California has been victimized by a number of rather serious earthquakes. Clearly, our thoughts and prayers are with those who have been victimized. Tragically there was a death and a number of people were rather seriously injured, and it is clearly a very difficult time.

I just got back late last night from California, and I have to say that having experienced a number of aftershocks there is a great deal of uncertainty. When one retires it is difficult to get to sleep because you do not know how intense the aftershock is going to be, or if something more serious might come about.

Actually, when most Americans think of earthquakes, they think of the Golden State, California. Not many people are aware of the fact that there are 39 States that are prone toward earthquakes. We know that in the middle part of the last century the most serious quake in the history of this country took place on the New Madrid fault line.

The thing that has happened is that we in California have rigorous building standards, but few States outside of California require that buildings meet the earthquake construction standards. On that New Madrid fault line in the Midwest which I just mentioned, an earthquake half the strength of the one that struck Joshua Tree, CA, on June 28 could cause massive destruction and leave hundreds of thousands of people homeless.

The message coming out of southern California, and of course we are very grateful that this quake and the aftershocks have been out in the desert rather than in downtown Los Angeles where it could have been devastating, but the message which has come from California is we all need to be prepared, everyone in this country because, as I said, there are 39 States which are prone toward earthquakes.

It is for that reason that I have joined with 62 of my colleagues in cosponsoring H.R. 2806 which is designed to create a national earthquake insurance and hazard mitigation program.

Mr. Speaker, what it does is establish a partnership with the private insurance industry to provide affordable earthquake insurance coverage for all homeowners. A number of people could say that I as a Republican am advocating some massive Government program here. But actually the opposite is the case. And I say that because when we look at natural disasters such as the earthquakes which take place, where is it that the victims look for relief? They really look to only one spot, and that is the Federal Government, right here.

In fact, as we look at the programs provided, we all know about the Federal Emergency Management Agency and the Small Business Administration which are always on the scene following a large earthquake or other natural disaster. That assistance all costs money. It costs all of us a great deal of money.

For example, we all remember October 17, 1989, the so-called World Series earthquake when the World Series was being played in San Francisco and the ground shook. Well that Loma Prieta, or World Series or San Francisco earthquake in October 1989 cost every working American $32.

The point I am making is that if one looks at the fact that every working American had to, through the emergency appropriation that we provided here, and in California a special quarter percent sales tax was imposed on all consumers in California, then the cost is tremendous. So what H.R. 2806 advocates is a risk-based national insurance program that will provide greater protection and reduced premiums for homeowners. It will reduce the need for Federal disaster assistance and free up State and local money for very important infrastructure repair that needs to be addressed.

Earthquake disasters are a very costly national problem which obviously need a comprehensive national response. The so-called Big One, which so many people have been anticipating, could cost over $60 billion in property damage alone. That is why establishing a national earthquake insurance and hazard mitigation reduction program should be one of our Nation's top priorities, because what it does is it creates a joint partnership, a partnership so that the U.S. taxpayer does not carry the sole burden for meeting the needs of those who are victimized by disasters.

I am not alone in this assessment, Mr. Speaker. In fact, the U.S. Conference of Mayors has passed a resolution just recently on June 24 that includes a wide range of mayors. This was submitted by the mayor of Los Angeles, Tom Bradley, Donna Smith, the mayor of Pomona, the mayor of Portland, Mayor Clark, Frank Jordan, the mayor of San Francisco, Bob Holcomb, the mayor of San Bernadino, Norman Rice, the mayor of Seattle, Karen Vialle, mayor of Tacoma, Louise Gardner, mayor of Jefferson City and James Perron, the mayor of Elkhart. They basically have taken a very strong position, Mr. Speaker, with their resolution in support of earthquake preparedness and damage mitigation.

Mr. Speaker, I include that resolution at this point in the RECORD:

RESOLUTION NO. 13

EARTHQUAKE PREPAREDNESS AND DAMAGE MITIGATION

Whereas the United States Geological Service has determined that a portion of all 50 states are vulnerable to the hazards of earthquakes and that 39 states are especially susceptible to major or moderate quakes; and

Whereas many of America's great cities in almost every region of the country are at substantial risk of a catastrophic earthquake; and

Whereas scientists agree that a catastrophic earthquake (8.0 or larger on the Richter Scale) is inevitable and will likely strike somewhere across the country within the next forty years; and

Whereas scientists conclude that this catastrophic earthquake is as likely to occur east of the Rocky Mountains as it is in the western states; and

Whereas such a catastrophic earthquake striking in a metropolitan area could cause thousands of fatalities and upwards of $50–$60 billion in damages; and

Whereas such a catastrophic earthquake would destroy public infrastructure, lifelines such as sewer, water systems, and pipelines, and severely cripple other important city services; and

Whereas such a catastrophic earthquake would have national impact on the economy,

financial markets, and the lifelines and infrastructure well beyond the quake's epicenter; and

Whereas much of the country's emergency management services, particularly at the local level, are ill-prepared to respond to earthquakes; and

Whereas efforts should be pursued by cities, counties, states, and the federal government in a cooperative fashion to save lives and prevent losses from future earthquakes; and

Whereas few homeowners, even in high-risk metropolitan areas, purchase earthquake insurance because of low awareness and high cost: Now, therefore, be it

Resolved, That the United States Conference of Mayors supports efforts to better prepare our cities and the entire country for earthquakes by establishing a federal earthquake hazards reduction program that prepares emergency management systems at the local level to handle the crisis following a catastrophic earthquake, helps to save lives and mitigate losses from future earthquakes, provides funding for local earthquake preparedness and response efforts, and makes earthquake insurance affordable and available.

Projected Cost: Unknown.

Basically H.R. 2806 encourages States in those earthquake-prone areas to institute cost-effective hazard mitigation procedures in the area of building codes, land use planning and seismic strengthening of existing structures. It creates a universal earthquake insurance program in order to make coverage both available and affordable. And, Mr. Speaker, it creates an industry-financed reinsurance program to protect insurance companies from excess losses that could lead to widespread bankruptcies and disruptions in the underwriting of new insurance policies.

When we look at the tremendous cost that exists today, it seems to me, Mr. Speaker, that this is the most balanced and fair approach that we can take. Contrary to the way that it may appear, there is no doubt about the fact that this program would create a dramatic savings for the U.S. taxpayer. Why? Because we will not have people simply looking to us as their sole source of relief.

So I am happy that we have as many cosponsors as we do, Mr. Speaker, and I would like to encourage as many of our colleagues to continue bipartisan Democrat and Republican support for this legislation. I would encourage them to contact our office at 225-2305 and put their names on as cosponsors of this bill so that we can address the concerns not just of Californians, not just of Alaskans, but of others throughout the Nation who are clearly faced with the potential for an earthquake.

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

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HYDE (at the request of Mr. MICHEL) for today from 5 p.m. on account of family medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCEWEN) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 60 minutes each day, on August 3, 4, 5, 6, 7, 10, 11, and 12.

Mrs. BENTLEY, for 60 minutes each day, on August 3, 4, 5, 6, 7, 10, 11, and 12.

Mr. RIGGS, for 60 minutes each day, on today and July 9, 21, 22, 23, and 24.

(The following Members (at the request of Mrs. COLLINS of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LAFALCE, for 20 minutes today, and 20 minutes on July 9.

Mr. GONZALEZ, for 60 minutes, on July 9.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCEWEN) and to include extraneous matter:)

Mrs. BENTLEY in two instances.
Mr. BILIRAKIS.
Mr. HASTERT.
Mr. LAGOMARSINO.
Mr. PORTER in two instances.
Mr. CLINGER.
Mr. WALSH.
Mr. GILMAN.
Mr. RHODES.
Mr. RIGGS.
Ms. ROS-LEHTINEN in two instances.
Mr. SOLOMON.

(The following Members (at the request of Mrs. COLLINS of Illinois) and to include extraneous matter:)

Mr. BROWN.
Mr. TOWNS.
Mr. HAMILTON in two instances.
Mr. SOLARZ.
Mrs. BOXER.
Mr. MCHUGH.
Mr. TORRES in two instances.
Mr. MONTGOMERY.
Mr. WEISS.
Mr. ROSE in two instances.
Mr. DORGAN of North Dakota.
Mr. VENTO.
Mr. EDWARDS of California.
Mr. MCCURDY.
Mr. BONIOR.
Mr. GUARINI.

SENATE BILL, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTION REFERRED

A bill, joint resolutions, and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2834. An act to designate the United States Post Office Building located at 100 Main Street, Millsboro, Delaware, as the "John J. Williams Post Office Building"; to the Committee on Post Office and Civil Service.

S.J. Res. 270. Joint Resolution to designate August 15, 1992, as "82nd Airborne Division 50th Anniversary Recognition Day", to the Committee on Post Office and Civil Service.

S.J. Res. 326. Joint Resolution designating the beach at 53 degrees 53'51"N, 166 degrees 34'15"W to 53 degrees 53'48"N, 166 degrees 34'21"W on Hog Island, which lies in the Northeast Bay of Unalaska, Alaska be named "Arkansas Beach" in commemoration of the 206th regiment of the National Guard who served during the Japanese attack of Dutch Harbor, Unalaska on June 3 and 4, 1942; to the Committee on Interior and Insular Affairs.

S.Con. Res. 81. Concurrent resolution expressing the sense of the Congress regarding visionary art as a national treasure and regarding the American Visionary Art Museum as a national repository and educational center for visionary art; to the Committee on Education and Labor.

ENROLLED BILLS SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 158. An act to designate the building in Hiddenite, North Carolina, which houses the primary operations of the United States Postal Service as the "Zora Leah S. Thomas Post Office Building";

H.R. 4505. An act to designate the facility of the United States Postal Service located at 20 South Montgomery Street in Trenton, New Jersey, as the "Arthur J. Holland United States Post Office Building"; and

H.R. 5412. An act to authorize the transfer of certain naval vessels to Greece and Taiwan.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 324. Joint resolution to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992.

ADJOURNMENT

Mr. DREIER of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 9 minutes p.m.) the House adjourned until tomorrow, Thursday, July 9, 1992, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from

the Speaker's table and referred as follows:

3879. A communication from the President of the United States, transmitting amendments to the fiscal year 1992 request for appropriations for the Department's of Defense, Housing and Urban Development, Justice, Labor, and Veterans Affairs; the Commission on Civil Rights; the Equal Employment Opportunity Commission; and the National Commission on Libraries and Information Science, pursuant to 31 U.S.C. 1107 (H. Doc. No. 102-358); to the Committee on Appropriations and ordered to be printed.

3880. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice that the Department of Defense has provided defense articles and services to the Persian Gulf region under the authority of Presidential Determinations 91-26 and 91-31, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on Foreign Affairs.

3881. A letter from the Secretary of Health and Human Services, transmitting a report on the development of uniform needs assessment instruments in consultation with panel of experts in delivery of posthospital extended care services and home health services, pursuant to 42 U.S.C. 1395x note; jointly to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of July 7, 1992]

Mr. BROWN: Committee on Science, Space and Technology. H.R. 3215. A bill to reinvigorate cooperation between the United States and Latin America in science and technology; with an amendment (Rept. 102-654, Pt. 1). Ordered to be printed.

[Submitted July 8, 1992]

Mr. BROOKS: Committee on the Judiciary. H.R. 4312. A bill to amend the Voting Rights Act of 1965 with respect to bilingual election requirements; with an amendment (Rept. 102-655). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. H.R. 5236. A bill to amend the Voting Rights Act of 1965 to clarify certain aspects of its coverage and to provide for the recovery of additional litigation expenses by litigants (Rept. 102-656). Referred to the Committee of the Whole House on the State of the Union.

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 3428. A bill to authorize capital contributions for certain international financial institutions in order to enhance international economic stability and economic growth, to provide for the alleviation of poverty, the protection of the environment, and energy efficiency, to provide for the implementation of the Enterprise for the Americas Initiative, to provide assistance in the financing of U.S. exports, and for other purposes; with an amendment (Rept. 102-657). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 5318. A bill regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes; with amendments (Rept. 102-658, Pt. 1). Ordered to be printed.

Mr. GORDON: Committee on Rules. House Resolution 513. Resolution waiving certain points of order against the bill (H.R. 5518) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes. (Rept. 102-659). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LIVINGSTON:

H.R. 5567. A bill to amend title 18, United States Code, to provide mandatory life imprisonment for persons convicted of a third violent felony; to the Committee on the Judiciary.

By Mr. ANDREWS of New Jersey:

H.R. 5568. A bill to amend the Internal Revenue Code of 1986 to provide estate tax relief for victims of the terrorist-caused airplane crash near Lockerbie, Scotland, in 1988; to the Committee on Ways and Means.

By Mr. DEFAZIO:

H.R. 5569. A bill to require the President to impose economic sanctions against countries that engage in commercial whaling; jointly, to the Committees on Foreign Affairs, Merchant Marine and Fisheries, and Ways and Means.

By Mr. DORGAN of North Dakota (for himself, Mr. PENNY, Mr. ORTON, Mr. DURBIN, Mr. BRYANT, Mr. BACCHUS, Ms. LONG, Mr. JOHNSON of South Dakota, Mrs. BOXER, and Mr. GLICKMAN):

H.R. 5570. A bill to authorize and direct the Director of the Office of Management and Budget to develop a plan to reduce Federal overhead costs by 10 percent and to report to Congress and the President by Feburary 1, 1993; jointly, to the Committees on Government Operations, the Judiciary, and House Administration.

By Mr. EDWARDS of California:

H.R. 5571. A bill to create American jobs, deregulate American industry, and reduce taxes; jointly, to the Committees on Ways and Means, Rules, the Judiciary, Merchant Marine and Fisheries, Interior and Insular Affairs, Education and Labor, Energy and Commerce, Public Works and Transportation, Government Operations, and House Administration.

By Mr. HORTON (for himself, Mr. MINETA, Mr. MATSUI, Mr. FALEOMAVAEGA, Ms. MOLINARI, Mrs. MINK, Mr. ABERCROMBIE, and Mr. BLAZ):

H.R. 5572. A bill to designate May of each year as Asian/Pacific American Heritage Month; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of Florida (for himself, Mr. MILLER of California, Mr. NEAL of North Carolina, Mrs. COLLINS of Michigan, Mr. PETERSON of Florida, Mr. BACCHUS, Mr. SMITH of Florida, Mr. LEHMAN of Florida, and Mr. GIBBONS):

H.R. 5573. A bill to provide grants to States and local entities to integrate education, medical, and social and human services to at-risk children; to the Committee on Education and Labor.

By Mr. ROSE:

H.R. 5574. A bill to authorize the Library of Congress to provide certain information products and services, and for other purposes; to the Committee on House Administration.

H.R. 5575. A bill to authorize certain uses of real property acquired by the Architect of the Capitol for use by the Librarian of Congress and for other purposes; to the Committee on House Administration.

By Mr. SHARP (for himself and Mr. SYNAR):

H.R. 5576. A bill to amend title XIX of the Social Security Act to reform the Medicaid quality control system for administrative expenses; to the Committee on Energy and Commerce.

By Mr. SHAYS (for himself and Mr. MFUME):

H.R. 5577. A bill to amend the United States Housing Act of 1937 to revise the method of calculating the amounts paid by public housing agencies in lieu of State, city, county, and local taxes, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GUARINI (for himself, Mr. LAFALCE, and Ms. KAPTUR):

H.R. 5578. A bill to assure fair international trade in motor vehicles; to the Committee on Ways and Means.

By Mr. SHAYS (for himself and Mr. MFUME):

H.R. 5579. A bill to assist distressed cities with large, abandoned factories and hazardous waste sites; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. DINGELL (for himself, Mr. ROSTENKOWSKI, Mr. SWIFT, Mr. FORD of Michigan, Mr. CONYERS, Mr. ROSE, Mr. BROWN, Mr. MILLER of California, and Mr. CARR):

H.J. Res. 524. Joint resolution proposing an amendment to the Constitution of the United States to permit the Congress to limit expenditures in elections for Federal office; to the Committee on the Judiciary.

By Mr. SOLARZ (for himself, Mr. LEACH, Mr. LAGOMARSINO, Mr. BLAZ, Mr. FALEOMAVAEGA, Mr. LANTOS, Mr. FOGLIETTA, Mr. ACKERMAN, and Mr. TORRICELLI):

H. Con. Res. 348. Concurrent resolution to commend the people of the Philippines for successfully conducting peaceful general elections and to congratulate Fidel Ramos for his election to the Presidency of the Philippines; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 50: Mr. ROYBAL, Mr. WEISS, Mr. STARK, and Mr. VISCLOSKY.

H.R. 81: Mr. MFUME, Mr. SLATTERY, Mr. ROSE, Mr. VENTO, and Mr. BRYANT.

H.R. 402: Mr. FRANK of Massachusetts.

H.R. 917: Mr. WASHINGTON.

H.R. 1168: Mr. DORNAN of California, Mr. TOWNS, Mr. JEFFERSON, Mr. DANNEMEYER, and Mr. SPENCE.

H.R. 1218: Mr. BROWDER, Mr. CRAMER, and Mr. COLORADO.

H.R. 1495: Mr. ERDREICH and Mr. CHANDLER.

H.R. 1582: Ms. OAKAR.

H.R. 1633: Mr. TORRICELLI and Mr. MCCURDY.

H.R. 1771: Mr. BUSTAMANTE.

H.R. 1969: Mr. SHAW, Mr. MACHTLEY, and Mr. MFUME.

H.R. 2205: Mr. GINGRICH.

H.R. 2695: Mr. RICHARDSON, Mr. GIBBONS, Mr. RAMSTAD, and Mr. GEREN of Texas.

H.R. 2766: Mr. BOUCHER.
H.R. 2798: Mr. MOLLOHAN.
H.R. 2854: Mr. PANETTA.
H.R. 2872: Mr. IRELAND.
H.R. 2890: Mr. KILDEE.
H.R. 2966: Mr. NUSSLE.
H.R. 3160: Mr. HEFNER, Mr. KOSTMAYER, Mr. MANTON, Mr. MAVROULES, Mrs. SCHROEDER, and Mr. SWIFT.
H.R. 3501: Mr. HUBBARD, Mr. HOCHBRUECKNER, and Mr. HENRY.
H.R. 3509: Mr. FISH, Mr. GALLO, Mrs. MORELLA, Mr. WELDON, Mr. SCHUMER, Mr. REED, Mr. GUARINI, Mr. ZELIFF, and Mr. SAXTON.
H.R. 3878; Mrs. BOXER.
H.R. 4141: Mr. CHAPMAN, Mr. GUARINI, Mr. POSHARD, Mr. DORGAN of North Dakota, Mr. BROWDER , Mr. ABERCROMBIE, Mrs. MINK, Mr. MURPHY, Mr. NEAL of North Carolina, Mr. GEJDENSON, Mr. SCHUMER, Mr. PENNY, Mr. JOHNSON of South Dakota, Mr. ESPY, Mr. SPRATT, Mr. WISE, Mr. BRYANT, Mr. TAYLOR of Mississippi, Mr. TANNER, Mrs. COLLINS of Illinois, Mr. KOPETSKI, Mr. COLEMAN of Texas, Mr. DONNELLY, Mr. ATKINS, Mr. MCNULTY, Mr. JEFFERSON, Mr. KILDEE, Mr. MORRISON, Mr. WILLIAMS, Mr. BUSTAMANTE, Ms. SLAUGHTER, and Mr. MCMILLEN of Maryland.
H.R. 4169: Mr. JOHNSON of South Dakota.
H.R. 4218: Mr. ENGLISH.
H.R. 4259: Ms. DELAURO, Mr. BARRETT, and Mr. GRANDY.
H.R. 4279: Mr. LIGHTFOOT.
H.R. 4312: Mr. SABO, Mr. DIXON, Ms. SLAUGHTER, and Mr. HAYES of Illinois.
H.R. 4483: Mr. BLAZ, Mr. BENNETT, Mr. JEFFERSON, and Mr. PALLONE.
H.R. 4507: Mr. SPENCE and Mr. BACCHUS.
H.R. 4761: Mr. FRANK of Massachusetts.
H.R. 4848: Mr. MCDERMOTT.
H.R. 4884: Mr. WEISS.
H.R. 4963: Mr. WYDEN, Mrs. JOHNSON of Connecticut, Mr. MATSUI, Mr. JONES of North Carolina, and Mr. RICHARDSON.
H.R. 5020: Mr. POSHARD, Mr. HATCHER, Mr. ALEXANDER, Mr. MONTGOMERY, Ms. HORN, Mr. BACCHUS, Mr. AUCOIN, and Mr. BLACKWELL.
H.R. 5097: Mr. GINGRICH.
H.R. 5121: Mr. HAYES of Illinois.
H.R. 5193: Mr. GINGRICH.
H.R. 5196: Mr. EVANS and Mr. FOGLIETTA.
H.R. 5198: Mr. GALLEGLY.
H.R. 5216: Mr. BLACKWELL.
H.R. 5238: Mr. SKEEN.
H.R. 5273: Mr. TANNER.
H.R. 5290: Mr. GILMAN.
H.R. 5294: Mr. MOLLOHAN.
H.R. 5320: Mr. MOLLOHAN.
H.R. 5405: Mr. CAMPBELL of Colorado, Mr. ALLEN, and Mr. SCHEUER.
H.R. 5407: Mr. MAVROULES.
H.R. 5502: Mr. MAZZOLI and Ms. DELAURO.
H.R. 5508: Mr. SMITH of New Jersey, Mr. PALLONE, and Mr. ROE.
H.R. 5529: Mr. FAWELL.
H.J. Res. 411: Mr. HATCHER.
H.J. Res. 440: Mr. COLEMAN of Texas and Mr. HOYER.
H.J. Res. 453: Mr. ABERCROMBIE, Mr. ANTHONY, Mr. ARCHER, Mr. BACCHUS, Mr. BILIRAKIS, Mr. BOUCHER, Mr. BROWDER, Mr. BUSTAMANTE, Mr. CALLAHAN, Mr. CHAPMAN, Mr. COLEMAN of Texas, Mrs. COLLINS of Illinois, Mr. COSTELLO, Mr. COYNE, Mr. CRAMER, Mr. DEFAZIO, Mr. DE LA GARZA, Mr. DINGELL, Mr. DONNELLY, Mr. DOOLITTLE, Mr. DOWNEY, Mr. ESPY, Mr. EWING, Mr. FASCELL, Mr. FORD of Michigan, Mr. FROST, Mr. GIBBONS, Mr. GILMAN, Mr. HAMILTON, Mr. HOYER, Mr. HUTTO, Mr. JEFFERSON, Mr. JENKINS, Mr. JOHNSON of South Dakota, Ms. KAPTUR, Mr. KILDEE, Mr. KLECZKA, Mr. KOLTER, Mr. KOPETSKI, Mr. LANCASTER, Mr. LAUGHLIN, Mr. LENT, Mr. MCNULTY, Mr. MAZZOLI, Mr. MILLER of Ohio, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. MORRISON, Mr. NATCHER, Ms. OAKAR, Mr. PICKETT, Mr. QUILLEN, Mr. RAVENEL, Mr. REED, Mr. REGULA, Mr. ROE, Mr. SAWYER, Mr. SISISKY, Mr. SKELTON, Mr. SLATTERY, Mr. SMITH of Texas, Mr. SPENCE, Mr. TANNER, Mr. THOMAS of Georgia, Mr. WOLF, Mr. WOLPE, Mr. ZELIFF, Mr. RITTER, Mr. SCHUMER, Mr. HALL of Ohio, Mr. PARKER, Mr. ANDERSON, Mrs. MINK, and Mr. HERTEL.
H.J. Res. 469: Mr. AUCOIN, Mr. ORTON, Mr. ROE, Mr. HYDE, Mr. MARKEY, Mr. MONTGOMERY, Mr. MURPHY, Mr. CALLAHAN, Mr. MCCOLLUM, Mr. BLILEY, Mr. MAVROULES, Mr. DONNELLY, Mr. RAVENEL, Mr. KOLTER, Mr. ROEMER, Mr. CARDIN, Mr. RAHALL, Mr. SMITH of Iowa, Mr. STALLINGS, Mr. BACCHUS, Mr. BATEMAN, Mr. LANTOS, Mr. MANTON, Mr. POSHARD, Mr. EARLY, Mr. HALL of Ohio, Mr. GILCHREST, Mr. MCDADE, Mr. YATRON, Mr. KASICH, Mr. PARKER, Mr. PICKETT, Mr. ANNUNZIO, Mr. BERMAN, Mr. HATCHER, Mr. BREWSTER, Mr. SAWYER, and Mr. PANETTA.
H.J. Res. 474: Mr. MACHTLEY.
H.J. Res. 479: Mr. HOYER, Mr. FAWELL, Mr. MCDERMOTT, and Mr. DIXON.
H.J. Res. 483: Mr. MCDERMOTT, Mrs. VUCANOVICH, Mr. BEVILL, and Mr. KASICH.
H.J. Res. 489: Mr. PAXON, Mr. COOPER, Mr. EMERSON, Mr. GINGRICH, Mr. PAYNE of Virginia, and Mr. CHANDLER.
H.J. Res. 505: Mr. LIPINSKI, Mr. RANGEL, Mr. FROST, Mr. JEFFERSON, Mr. WALSH, Mrs. VUCANOVICH, Mr. HUGHES, Mr. MAZZOLI, Mr. ESPY, Mr. CRAMER, Mrs. ROUKEMA, Mr. JACOBS, Mr. DELLUMS, Mr. MANTON, Mr. POSHARD, Mr. YOUNG of Alaska, Mr. BORSKI, Mr. CARR, Mr. EDWARDS of Texas, Mr. EVANS, Mr. COX of California, Ms. NORTON, Mr. BILBRAY, Mr. SARPALIUS, Mr. DONNELLY, and Mr. HOBSON.
H.J. Res. 520: Mr. BARNARD, Mr. CALLAHAN, Mr. FALEOMAVAEGA, and Mr. RANGEL.
H. Con. Res. 180: Mr. DERRICK.
H. Con. Res. 344: Ms. PELOSI, Mr. SWETT, and Mr. AUCOIN.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1900: Mr. KOLBE.
H. Res. 194: Mr. HASTERT.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

S. 167. By the SPEAKER: Petition of the board of selectmen of the town of Eliot, ME, relative to the U.S. Naval Shipyard at Kittery, ME; to the Committee on Armed Services.

168. Also, petition of the city council of the city of New York, relative to the establishment of a Medicare policy which extends coverage for long-term health care; jointly, to the Committees on Ways and Means and Energy and Commerce.

169. Also, petition of the council of the city of New York, relative to adding to the existing Medicare payment program to cover acupuncture and dental treatments; jointly, to the Committees on Ways and Means and Energy and Commerce.